





**DHARNI CAPITAL SERVICES LIMITED**  
CIN: U74120KA2015PTC084050

REGISTERED OFFICE		CONTACT PERSON	EMAIL AND TELEPHONE	WEBSITE
226, Brigade Metropolis Arcade, Whitefield Main Road, Garudacharpalya, Bangalore 560048, Karnataka		CS Mayank Mundhra, Company Secretary & Compliance Officer	Tel No.: +91 9945164270 E-mail: <a href="mailto:info@dharnigroup.com">info@dharnigroup.com</a>	<a href="http://www.dharnicapital.com">http://www.dharnicapital.com</a>
THE PROMOTERS OF OUR COMPANY: Mr. Hemant Dharnidharka and Mrs. Preeti Saraogi				
DETAILS OF OFFER TO PUBLIC, PROMOTERS/SELLING SHAREHOLDERS				
TYPE	FRESH ISSUE SIZE	OFS SIZE	TOTAL ISSUE SIZE	ELIGIBILITY 229(1) / 229(2) & SHARE RESERVATION AMONG NII & RII
Fresh Issue	₹ [●] Lakhs	*NIL	₹ [●] Lakhs	The Issue is being made pursuant to Regulation 229(1) of SEBI ICDR Regulations. As the Company’s post issue face value capital does not exceed ₹10.00 crores.
*DETAILS OF OFFER FOR SALE BY PROMOTER(S)/PROMOTER GROUP/ OTHER SELLING SHAREHOLDERS- NOTAPPLICABLE AS THE ENTIRE ISSUE CONSTITUTES OF FRESH ISSUE OF EQUITY SHARES.				
RISKS IN RELATION TO THE FIRST ISSUE				
This being the first public issue of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹1/- each and the Issue Price is [●] times of the face value of the Equity Shares. The Issue Price (determined and justified by our Company in consultation with the Lead Manager as stated in “Basis for Issue Price” on page 107 of this Draft Prospectus) 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 the Issue unless they can afford to take the risk of losing their 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 Prospectus. Specific attention of the investors is invited to “Risk Factors” on page 31 of this Draft Prospectus.				
ISSUER’S ABSOLUTE RESPONSIBILITY				
Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Prospectus contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in this Draft 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 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 Prospectus are proposed to be listed on the SME Platform of BSE i.e., BSE SME. Our Company has received ‘in-principle’ approval from the BSE for using its name in the offer document for the listing of the Equity Shares, pursuant to letter dated [●]. For the purpose of the Issue, the Designated Stock Exchange shall be BSE.				
LEAD MANAGER TO THE ISSUE				
Name and Logo		Contact Person	Email and Telephone	
 SRUJAN ALPHA CAPITAL ADVISORS LLP		Mr. Jinesh Doshi	Email id: <a href="mailto:jinesh@srujanalpha.com">jinesh@srujanalpha.com</a> Tel: +91 9820922994	
REGISTRAR TO ISSUE				
Name and Logo		Contact Person	Email and Telephone	
 CAMEO CORPORATE SERVICES LIMITED		Mr. R.D. Ramasamy	Email id: <a href="mailto:investor@cameoindia.com">investor@cameoindia.com</a> Tel: +91-44-40020700, 28460390	
ISSUE PROGRAMME				
ISSUE OPENS ON: [●]			ISSUE CLOSES ON: [●]	

**DHARNI CAPITAL SERVICES LIMITED**  
**(Formerly known as Dharni Capital Services Private Limited & Dharni Online Services Private Limited)**  
**CIN: U74120K42015PLC084050**

Our Company was incorporated as ‘Dharni Online Services Private Limited’ on November 12, 2015 as a Private Limited Company under the Companies Act, 2013 with the Registrar of Companies, Bangalore, Karnataka. Subsequently, the name of our Company was changed to “Dharni Capital Services Private Limited” vide Certificate of Incorporation pursuant to change of name dated March 28, 2022 issued by Registrar of Companies, Bangalore, Karnataka. Pursuant to a special resolution passed by our shareholders in the Extra-Ordinary General Meeting held on April 26, 2022, our Company was converted from a Private Limited Company to Public Limited Company and consequently, the name of our Company was changed to ‘Dharni Capital Services Limited’, and a fresh certificate of incorporation dated May 17, 2022 was issued to our Company by the Registrar of Companies, Bangalore, Karnataka. The corporate identification number of our Company is U74120K42015PLC084050. We offer diversified financial services such as Mutual Fund Distribution Services and Fixed Deposit Distribution Services, Real Estate Brokerage Services and Technical Consultancy and Outsourcing. We offer a technology enabled, comprehensive investment and financial services platform with end-to-end solutions critical for financial products distribution and presence across both online and offline channels.

**Registered Office:** 226, Brigade Metropolis Arcade, Whitefield Main Road, Garudachapal, Bangaluru 560 048, Karnataka;

**Contact Person:** Mr. Mayank Mundhra, Company Secretary and Compliance Officer

**Tel:** +91 9945164270; **E-mail:** [info@dharnigroup.com](mailto:info@dharnigroup.com) ; **Website:** <https://www.dharnicapital.com/>

**Promoter of our Company:** Mr. Hemant Dharnidharka and Mrs. Preeti Saraogi

DETAILS OF ISSUE	
INITIAL PUBLIC OFFERING OF UPTO 55,00,000 EQUITY SHARES OF FACE VALUE OF ₹1/- EACH (“ <b>EQUITY SHARES</b> ”) OF DHARNI CAPITAL SERVICES LIMITED (“ <b>DHARNI CAPITAL</b> ” OR “ <b>THE COMPANY</b> ” OR “ <b>OUR COMPANY</b> ” OR “ <b>THE ISSUER</b> ”) FOR CASH AT A PRICE OF ₹[●]/- PER EQUITY SHARE (INCLUDING A PREMIUM OF ₹[●]/- PER EQUITY SHARE) (“ <b>ISSUE PRICE</b> ”) AGGREGATING UP TO ₹[●] LAKHS (“ <b>THE ISSUE</b> ”) OF WHICH [●] EQUITY SHARES AGGREGATING TO ₹[●] LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER (“ <b>MARKET MAKER RESERVATION PORTION</b> ”). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION I.E. ISSUE OF [●] EQUITY SHARES OF FACE VALUE OF ₹ 1/- EACH AT AN ISSUE PRICE OF ₹ [●]/- PER EQUITY SHARE AGGREGATING TO ₹ [●] LAKHS (“ <b>NET ISSUE</b> ”). THE ISSUE AND THE NET ISSUE WILL CONSTITUTE [●] % AND [●] % OF THE POST-ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.	
THE FACE VALUE OF THE EQUITY SHARES IS ₹1/- EACH AND THE ISSUE PRICE IS [●] TIMES OF THE FACE VALUE	
In terms of Rule 19(2)(b)(i) of the SCRR, this Issue is being made for at least 25% of the post-Issue paid-up Equity Share capital of our Company. This Issue is being made through Fixed Price process in accordance and compliance with Chapter IX and other applicable provisions of SEBI ICDR Regulations wherein a minimum 50% of the Net Issue is allocated for Retail Individual Investors and the balance shall be offered to individual applicants other than Retail Individual Investors and other investors including corporate bodies or institutions, QIBs and Non-Institutional Investors. However, if the aggregate demand from the Retail Individual Investors is less than 50%, then the balance Equity Shares in that portion will be added to the non-retail portion offered to the remaining investors including QIBs and NIIs and vice-versa subject to valid applications being received from them at or above the Issue Price. Additionally, if the Retail Individual Investors category is entitled to more than 50% on proportionate basis, the Retail Individual Investors shall be allocated that higher percentage. All potential investors shall participate in the Issue only through an Application Supported by Blocked Amount (“ <b>ASBA</b> ”) process including through UPI mode (as applicable) by providing details of the respective bank accounts and / or UPI IDs, in case of RIIs, if applicable, which will be blocked by the Self Certified Syndicate Banks (“ <b>SCSBs</b> ”) for the same. For details in this regard, specific attention is invited to “ <i>Issue Procedure</i> ” beginning on page 271 of this Draft Prospectus. A copy will be filed with the Registrar of Companies as required under Section 26 of the Companies Act, 2013.	
RISK IN RELATION TO THE FIRST ISSUE	
This being the first public issue of our Company, there has been no formal market for the securities of our Company. The face value of the Equity Shares of our Company is ₹1/- each and the Issue Price is [●] times of face value per Equity Share. The Issue Price (has been determined and justified by our Company in consultation with the Lead Manager, as stated under chapter titled “ <i>Basis for Issue Price</i> ” beginning on page 107 of this Draft Prospectus 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 and/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 the Issue unless they can afford to take the risk of losing their 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 (“ <b>SEBI</b> ”), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Prospectus. Specific attention of the investors is invited to “ <i>Risk Factors</i> ” on page 31 of this Draft Prospectus.	
ISSUER’S ABSOLUTE RESPONSIBILITY	
Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Prospectus contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in this Draft 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 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 Prospectus are proposed to be listed on the SME Platform of BSE i.e., BSE SME. Our Company has received ‘in-principle’ approval from the BSE for using its name in the offer document for the listing of the Equity Shares, pursuant to letter dated [●]. For the purpose of the Issue, the Designated Stock Exchange shall be BSE.	
LEAD MANAGER TO THE ISSUE	REGISTRAR TO THE ISSUE
 <b>SRUJAN ALPHA CAPITAL ADVISORS</b>	 <b>CAMEO</b>
<b>SRUJAN ALPHA CAPITAL ADVISORS LLP</b>  <b>Registered Address:</b> 112A, 1 <sup>st</sup> floor, Arun Bazar, S.V. Road, Beside Bank of India, Malad (West), Mumbai - 400 064 <b>Correspondence Address:</b> 824 & 825, Corporate Avenue, Sonawala Rd, opposite Atlanta Centre, Sonawala Industry Estate, Goregaon, Mumbai- 400064 <b>Tel:</b> +91 9820922994 <b>Contact Person:</b> Mr. Jinesh Doshi <b>E-mail:</b> <a href="mailto:jinesh@srujanalpha.com">jinesh@srujanalpha.com</a> <b>Website:</b> <a href="http://www.srujanalpha.com">www.srujanalpha.com</a> <b>SEBI Registration Number:</b> INM000012829	<b>CAMEO CORPORATE SERVICES LIMITED</b>  <b>Registered Address:</b> "Subramanian Building", #1, Club House Road, Chennai - 600 002 <b>Tel:</b> +91-44-40020700, 28460390 <b>Fax:</b> +91-44-28460129 <b>Contact Person:</b> Mr. R.D. Ramasamy, Director <b>Email:</b> <a href="mailto:investor@cameoindia.com">investor@cameoindia.com</a> <b>Website:</b> <a href="http://www.cameoindia.com">www.cameoindia.com</a> <b>CIN No.:</b> U67120TN1998PLC041613 <b>SEBI Registration Number:</b> INR000003753
ISSUE PROGRAMME	
ISSUE OPENS ON: [●]	ISSUE CLOSES ON: [●]

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## SECTION I: GENERAL

### DEFINITIONS AND ABBREVIATIONS

*This Draft Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meaning as provided below. References to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act, regulation, rules, guidelines or policies as amended from time to time.*

*The words and expressions used in this Draft Prospectus but not defined herein, shall have, to the extent applicable, the meanings ascribed to such terms under the Companies Act, the SEBI ICDR Regulations, the SEBI Listing Regulations, the SCRA, the Depositories Act or the rules and regulations made thereunder.*

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

#### GENERAL TERMS

Term	Description
“Our Company”, “the Company”, “Dharni Capital” or “the Issuer”	Unless the context otherwise indicates or implies, refers to Dharni Capital Services Limited, a public limited company incorporated under the Companies Act, 2013 and having Registered Office at 226, Brigade Metropolis Arcade, Whitefield Main Road, Garudacharpalya, Bangalore-560 048, Karnataka, India
“we”, “us” or “our”	Unless the context otherwise indicates or implies, refers to our Company.
“you”, “your” or “yours”	Prospective Investors in this Issue

#### COMPANY RELATED TERMS

Term	Description
Articles of Association/ AoA	Articles of Association of our Company, as amended
Audit Committee	Audit Committee of our Company constituted in accordance Section 177 of the Companies Act, 2013 and as described in the chapter titled “ <i>Our Management</i> ” beginning on page 149 of this Draft Prospectus
“Auditors” or “Statutory Auditors”	The Statutory Auditors of our Company, being M/s. BSD & Co. Chartered Accountants holding a valid peer review certificate as mentioned in the section titled “ <i>General Information</i> ” beginning on page 65 of this Draft Prospectus.
Banker to our Company	HDFC Bank Limited, ICICI Bank Limited, IDFC FIRST Bank Limited & YES Bank as disclosed in the section titled “ <i>General Information</i> ” beginning on page 65 of this Draft Prospectus.



Term	Description
“Board” or “Board of Directors”	The Board of Directors of our Company, including all duly constituted Committees thereof. For further details of our Directors, please refer to chapter titled “ <i>Our Management</i> ” beginning on page 149 of this Draft Prospectus.
Chairman/ Chairperson	The Chairman/ Chairperson of Board of Directors of our Company being Mr. Hemant Dharnidharka
CIN/ Corporate Identification Number	Corporate Identification Number of our Company i.e. U74120KA2015PLC084050
Companies Act	The Companies Act, 2013, as amended from time to time.
Chief Financial Officer or “CFO”	Chief Financial Officer of our Company, being Mr. Pramod Dharnidharka
Company Secretary and Compliance Officer	Company Secretary and Compliance Officer of our Company, being Mr. Mayank Mundhra.
Depositories Act	The Depositories Act, 1996, as amended from time to time
Depositories	National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).
DIN	Director Identification Number.
Director(s) / our Directors	The Director(s) of our Company, unless otherwise specified.
Equity Shares	Equity shares of our Company of face value of ₹ 1 each unless otherwise specified in the context thereof
Equity Shareholders	Persons/ Entities holding Equity Shares of the Company
Executive Directors	Executive Directors of our Company, as appointed from time to time
Fugitive economic offender	Shall mean an individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
Group Companies	Companies with which there were related party transactions as disclosed in the Restated Financial Statements as covered under the applicable accounting standards, and also other companies as considered material by our Board of the issuer as disclosed in the chapter titled “ <i>Our Group Company</i> ” on page 180 of this Draft Prospectus.
Independent Director	Independent Director(s) on our Board, as appointed from time to time.
ISIN	International Securities Identification Number. In this case being INE0M9Q01011
Key Managerial Personnel	Key managerial personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI ICDR Regulations, and includes key managerial personnel in terms of the Companies Act, 2013, and disclosed in “ <i>Our Management – Key Managerial Personnel</i> ” on page 169

Term	Description
Managing Director / MD	Managing Director of our Board, being Mr. Hemant Dharnidharka
Materiality Policy	The policy adopted by our Board on August 10, 2022 for identification of material: (a) outstanding litigation proceedings; (b) group companies; and (c) creditors, pursuant to the requirements of the SEBI ICDR Regulations and for the purposes of disclosure in this Draft Prospectus.
Memorandum of Association or MoA	Memorandum of Association of our Company, as amended.
Nomination & Remuneration Committee	The Nomination and Remuneration Committee of our Company as described in “ <i>Our Management</i> ” beginning on page 149.
Promoter Group	Persons and entities constituting the promoter group of our Company in terms of Regulation 2(1) (pp) of the SEBI ICDR Regulations. For details, please see the section entitled “ <i>Our Promoter and Promoter Group</i> ” on page 173.
Promoters	Promoters of our Company namely, Mr. Hemant Dharnidharka and Mrs. Preeti Saraogi. For details, please see the section titled “ <i>Our Promoter and Promoter Group</i> ” on page 173.
Registered Office	Registered office of our Company located at 226, Brigade Metropolis Arcade, Whitefield Main Road, Garudacharpalya, Bangalore 560 048, Karnataka, India
Registrar of Companies or RoC	Registrar of Companies, Bangalore at Karnataka.
Restated Financial Information	The Restated Audited Financial Information of the Company, which comprises of the restated audited balance sheet, the restated audited profit and loss information and restated audited cash flow information, for the years ended March 31, 2022, March 31, 2021 and 2020 together with the annexure and notes thereto.
Shareholders	Equity shareholders of our Company, from time to time.
Stakeholders Relationship Committee	The Stakeholders Relationship Committee of our Company as described in the section entitled “ <i>Our Management</i> ” beginning on page 149.
Stock Exchange	Unless the context requires otherwise, refers to, BSE Limited.
Subscriber to MOA/Initial Promoter	Initial Subscriber to MOA & AOA being Mr. Hemant Dharnidharka and Mrs. Preeti Saraogi.

**ISSUE RELATED TERMS**

<b>Terms</b>	<b>Description</b>
Abridged Prospectus	Abridged Prospectus to be issued under Regulation 255 of SEBI ICDR Regulations and appended to the Application Form
Allotment/Allot/Alotted	Unless the context otherwise requires, the issue and allotment of Equity Shares, pursuant to the Issue to the successful applicants.
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to an Applicant as proof of registration of the Application.
Allotment Advice	Note or advice or intimation of Allotment sent to the Applicants who have been allotted Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchanges
Allottee (s)	The successful applicant to whom the Equity Shares are being / have been issued.
Applicant/ Investor	Any prospective investor who makes an application for Equity Shares in terms of this Draft Prospectus.
Application Amount	The amount at which the Applicant makes an application for the Equity Shares of our Company in terms of Draft Prospectus.
Application Form	The form in terms of which the Applicant shall make a Application, including ASBA Form, and which shall be considered as the application for the Allotment pursuant to the terms of this Draft Prospectus.
ASBA Account	A bank account linked with or without UPI ID, maintained with an SCSB and specified in the ASBA Form submitted by the Applicants for blocking the Application Amount mentioned in the ASBA Form.
ASBA Applicant(s)/ Applicant	Any prospective investor who makes an Application pursuant to the terms of the draft Prospectus and the Application Form including through UPI mode (as applicable).
ASBA Form	An application form, whether physical or electronic, used by ASBA Applicants, which will be considered as the application for Allotment in terms of the Draft Prospectus.
Bidding Centres	Centres at which the Designated Intermediaries shall accept the Application Forms i.e. Designated SCSB Branch for SCSBs, Specified Locations for members of the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs.
Bankers to the Issue	Banks which are clearing members and registered with SEBI as Bankers to an Issue and with whom the Public Issue Account will be opened, in this case being [●]
Banker to the Issue Agreement	Agreement dated [●] entered into amongst the Company, Lead Manager, the Registrar and the Banker of the Issue.
Basis of Allotment	The basis on which the Equity Shares will be Allotted, described in “Issue Procedure” on page 271 of this Draft Prospectus.
Broker Centers	Broker centers notified by the Stock Exchanges where investors can submit the Application Forms to a Registered Broker. The details of such Broker Centers, along with the names and contact details of the Registered Brokers are available on the websites of the Stock Exchange i.e. <a href="http://www.bseindia.com">www.bseindia.com</a>

Terms	Description
BSE	BSE Limited
Business Day	Monday to Friday (except public holidays).
CAN or Confirmation of Allocation Note	The Note or advice or intimation sent to each successful Applicant indicating the Equity which will be allotted, after approval of Basis of Allotment by the designated Stock Exchange.
Client Id	Client Identification Number maintained with one of the Depositories in relation to demat account.
Collecting Depository Participants or CDPs	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Applications at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI.
Controlling Branches of the SCSBs	Such Branches of the SCSBs which co-ordinate Applications by the Applicants with the Registrar to the Issue and the Stock Exchanges and a list of which is available at <a href="http://www.sebi.gov.in">http://www.sebi.gov.in</a> 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, name of the applicant father/husband, investor status, occupation and Bank Account details.
Depository / 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 NSDL and CDSL.
Designated Date	On the Designated Date, the amounts blocked by SCSBs are transferred from the ASBA Accounts to the Public Issue Account and/or unblocked in terms of this Draft Prospectus.
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Application Form from the ASBA Applicant and a list of which is available on the website of SEBI at <a href="http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/">http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/</a> Recognized-Intermediaries or at such other website as may be prescribed by SEBI from time to time.
Designated CDP Locations	Such locations of the CDPs where Applicants can submit the Application Forms and in case of RIIs only ASBA Forms with UPI. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Application Forms are available on the websites of the Stock Exchange.
Designated RTA Locations	Such locations of the RTAs where Applicants can submit the Application Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept Application Forms are available on the websites of the Stock Exchange.
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Forms (other than ASBA Forms submitted by RIIs where the Application Amount will be blocked upon acceptance of UPI Mandate Request by such RII using the UPI Mechanism), a list of which is available on the website of SEBI at <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> .



Terms	Description
	Intermediaries or at such other website as may be prescribed by SEBI from time to time.
Designated Market Maker	[●] will act as the Market Maker and has 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 a period as may be notified by amendment to SEBI ICDR Regulations.
Designated Stock Exchange	BSE Limited (SME Exchange of BSE Limited i.e. BSE SME).
DP	Depository Participant
DP ID	Depository Participant's Identity Number
Draft Prospectus	Draft prospectus dated issued in accordance with Section 23 and 26 of the Companies Act, 2013 and SEBI ICDR Regulation.
Eligible NRI	A Non-Resident Indian in a jurisdiction outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom this Draft Prospectus will constitute an invitation to subscribe for the Equity Shares.
Equity Shares	Equity Shares of our Company of face value ₹ 1.00 each
Electronic Transfer of Funds	Refunds through ECS, NEFT, Direct Credit or RTGS as applicable.
Eligible QFIs	QFIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the Prospectus constitutes an invitation to purchase the Equity Shares Issued thereby and who have opened demat accounts with SEBI registered qualified depository participants.
Eligible NRI(s)	An NRI(s) from such a jurisdiction outside India where it is not unlawful to make an Issue or invitation under this Issue and in relation to whom the Application Form and the Prospectus will constitutes an invitation to purchase the equity shares.
Escrow Account	Accounts opened with the Banker to the Issue
Escrow and Sponsor Bank Agreement	Agreement dated [●] entered into amongst the Company, Lead Manager, the Registrar and the Banker to the Issue and Sponsor Bank to receive monies from the Applicants through the SCSBs Bank Account on the Designated Date in the Public Issue Account.
Foreign Institutional Investors/ FII	Foreign Institutional Investor (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended) registered with SEBI under applicable laws in India
Foreign Portfolio Investor / FPIs	Foreign Portfolio Investor as defined under the SEBI (Foreign Portfolio Investors) Regulations, 2014.
Foreign Venture Capital Investors	Foreign Venture Capital Investors registered with SEBI under the SEBI (Foreign Venture Capital Investor) Regulations, 2000.
FPI / Foreign Portfolio Investor	A Foreign Portfolio Investor who has been registered pursuant to the of Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, provided that any FII or QFI who holds a valid certificate of registration shall be deemed to be a foreign portfolio investor till the expiry of the block of three years for which fees have been paid as per the SEBI (Foreign Institutional Investors) Regulations, 1995, as amended



Terms	Description
First Applicant/ Sole Applicant	Applicant whose name shall be mentioned in the Application Form or the Revision Form and in case of joint Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names.
Fresh Issue	The Fresh Issue of upto 55,00,000 Equity Shares by our Company having face value of ₹ 1/- each at a price of ₹ [●] per equity share aggregating to ₹ [●] Lakhs, to be issued by our Company for subscription pursuant to the terms of this Draft Prospectus.
Fresh Issue Proceeds	The proceeds of the Fresh Issue as stipulated by the Company. For further information about use of the Fresh Issue Proceeds please see the chapter titled “Objects of the Issue” beginning on Page No. 100 of this Draft Prospectus.
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offender Act, 2018.
General Information Document / GID	The General Information Document for investing in public issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013, notified by SEBI and updated pursuant to the circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015, the circular (CIR/CFD/DIL/1/2016) dated January 1, 2016 and (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016, circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018, circular no. (SEBI/HO/CFD/DIL2/CIR/P/2019/50) dated April 3, 2019, circular no. (SEBI/HO/CFD/DIL2/CIR/P/2019/76) dated June 28, 2019, circular no. (SEBI/HO/CFD/DIL2/CIR/P/2019/85) dated July 26, 2019 and circular (SEBI/HO/CFD/DCR2/CIR/P/2019/133) dated November 8, 2019, issued by SEBI. The General Information Document is available on the websites of the Stock Exchanges and the LM.
GIR Number	General Index Registry Number.
Issue Agreement	The Issue Agreement entered amongst our Company and the Lead Manager dated August 24, 2022.
Issue Proceeds	The proceeds of the Issue as stipulated by the Company. For further information about use of the Issue Proceeds please refer the chapter titled “ <i>Objects of the Issue</i> ” beginning on Page No. 100 of this Draft Prospectus.
Issue/ Issue Size / Public Issue/ IPO	This Initial Public Issue of upto 55,00,000 Equity Shares of ₹ 1/- each for cash at a price of ₹ [●] per equity share aggregating to ₹ [●] lakhs by our Company.
Issue Closing date	The date after which the Lead Manager, Syndicate Member, Designated Branches of SCSBs and Registered Brokers will not accept any Application for this Issue, which shall be notified in a English national newspaper, Hindi national newspaper and a regional newspaper each with wide circulation as required under the SEBI (ICDR) Regulations. In this case being [●]
Issue Opening date	The date on which the Lead Manager, Syndicate Member, Designated Branches of SCSB sand Registered Brokers shall start accepting Application for this Issue, which shall be the date notified in an English national newspaper, Hindi national newspaper and a regional

Terms	Description
	newspaper each with wide circulation as required under the SEBI (ICDR) Regulations. In this case being [●]
Issue Price	The price at which the Equity Shares are being issued by our Company in consultation with the Lead Manager under this Draft Prospectus being ₹ [●] per share.
Issue Period	The period between the Issue Opening Date and the Issue Closing Date inclusive of both days and during which prospective Applicants can submit their Applications.
LM/Lead Manager	Lead Manager to the Issue, in this case being Srujan Alpha Capital Advisors LLP
Listing Agreement	Unless the context specifies otherwise, this means the Equity Listing Agreement to be signed between our Company and BSE Limited.
Lot Size	The Market lot and Trading lot for the Equity Share is [●] and in multiples of [●] thereafter; subject to a minimum allotment of [●] Equity Shares to the successful applicants.
Market Maker	Market Maker of the Company, in this case being [●]
Market Maker Reservation Portion	The Reserved portion of upto [●] Equity shares of ₹ 1/- each at an Issue Price of ₹ [●] aggregating to ₹ [●] lakhs for Designated Market Maker in the Public Issue of our Company.
Market Making Agreement	The Agreement among the Market Maker, the Lead Manager and our Company dated [●].
Mobile App(s)	The mobile applications listed on the website of SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognise&amp;dFpi=yes&amp;intmId=40">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognise&amp;dFpi=yes&amp;intmId=40</a> or such other website as may be updated from time to time, which may be used by RIIs to submit Applications using the UPI Mechanism.
Mutual Fund	A Mutual Fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended.
Net Issue	The Net Issue of [●] Equity Shares of ₹ 1/- each at ₹ [●] per Equity Share aggregating to Rs. [●] lakhs by our Company.
Non-Institutional Applicant / Investors	All Applicants, including Eligible FPIs, that are not QIBs or Retail Individual Applicants and who have applied for Equity Shares for an amount of more than ₹ 2,00,000 (but not including NRIs other than Eligible NRIs, OFIs other than eligible QFIs).
Non-Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, Eligible QFIs, FIIs registered with SEBI and FVCIs registered with SEBI.
Other Investor	Investors other than Retail Individual Investors. These include individual applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for.
Overseas Corporate Body / OCB	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs, including overseas trusts in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly as defined under the Foreign Exchange Management (Deposit) Regulations, 2000, as amended from time to time. OCBs are not allowed to invest in this Issue.

Terms	Description
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 validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires.
Prospectus	The Prospectus, to be filed with the RoC containing, inter alia, the Issue opening and closing dates and other information.
Public Issue Account	Account opened with Bankers to the Issue for the purpose of transfer of monies from the SCSBs from the bank accounts of the ASBA Applicants on the Designated Date.
Qualified Foreign Investors / QFIs	Non-resident investors other than SEBI registered FIIs or sub-accounts or SEBI registered FVCIs who meet 'know your client' requirements prescribed by SEBI.
Qualified Institutional Buyers / QIBs	Qualified Institutional Buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations.
Registrar Agreement	The agreement dated August 08, 2022 among our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue.
Registrar and Share Transfer Agents/RTAs	Registrar and Share Transfer Agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI.
Registrar/ Registrar to the Issue/ RTA/ RTI	Registrar to the Issue being Cameo Corporate Services Limited
Reserved Category/ Categories	Categories of persons eligible for making application under reservation portion.
Regulations	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
Registered Broker	Individuals or companies registered with SEBI as "Trading Members"(except Syndicate/Sub-Syndicate Members) who hold valid membership of either BSE or NSE having right to trade in stocks listed on Stock Exchanges ,through which investors can buy or sell securities listed on stock exchanges, a list of which is available on <a href="https://www.bseindia.com/members/MembershipDirectory.aspx">https://www.bseindia.com/members/MembershipDirectory.aspx</a>
Reservation Portion	The portion of the Issue reserved for category of eligible Applicants as provided under the SEBI (ICDR) Regulations, 2018
Revision Form	Form used by the Applicants to modify the quantity of the Equity Shares or the Applicant Amount in any of their ASBA Form(s) or any previous Revision Form(s). QIB Bidders and Non-Institutional Bidders are not allowed to withdraw or lower their Applications (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Applicants

Terms	Description
	can revise their Application during the Issue Period and withdraw their Applications until Issue Closing Date.
Self-Certified Syndicate Bank(s) / SCSBs	The banks registered with SEBI, offering services, in relation to ASBA where the Bid Amount will be blocked by authorising an SCSB, a list of which is available on the website of SEBI at <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34">www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34</a> or such other website as updated from time to time, and in relation to RIBs using the UPI Mechanism, a list of which is available on the website of SEBI at <a href="https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40">https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40</a> or such other website as updated from time to time.
Sponsor Bank	A Banker to the Issue which is registered with SEBI and is eligible to act as a Sponsor Bank in a public issue in terms of applicable SEBI requirements and has been appointed by the Company, in consultation with the LM to act as a conduit between the Stock Exchanges and NPCI to push the UPI Mandate Request in respect of RIIs as per the UPI Mechanism, in this case being [●].
TRS / Transaction Registration Slip	The slip or document issued by a member of the Syndicate or an SCSB (only on demand), as the case may be, to the Applicant, as proof of registration of the Application.
Underwriter(s)	[●]
Underwriting Agreement	The Agreement among the Underwriter(s) and our Company dated [●].
“Unified Payments Interface” or “UPI”	The instant payment system developed by the National Payments Corporation of India (NPCI).
UPI ID	ID created on Unified Payment Interface (UPI) for single-window mobile payment system developed by the National Payments Corporation of India (NPCI).
UPI Mandate Request	A request (intimating the RII by way of a notification on the UPI application and by way of a SMS directing the RII to such UPI application) to the RII initiated by the Sponsor Bank to authorise blocking of funds on the UPI application equivalent to Application Amount and subsequent debit of funds in case of Allotment.
UPI mechanism	1. The bidding mechanism that may be used by an RII to make an Application in the Issue in accordance with SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 01, 2018 read with SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2019/50) dated April 3, 2019 and SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2019/76) dated June 28, 2019 and circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019
UPI PIN	Password to authenticate UPI transaction
U.S. Securities Act	U.S. Securities Act of 1933, as amended
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.





Terms	Description
Wilful Defaulter(s)	Wilful defaulter as defined under Regulation 2(1)(III) of the SEBI Regulations
Working Day	<p>In accordance with Regulation 2(1)(mmm) of SEBI ICDR Regulation, working day means all days on which commercial banks in the city as specified in the Draft Prospectus are open for business:</p> <ol style="list-style-type: none"><li>1. However, in respect of announcement of price band and Issue Period, working day shall mean all days, excluding Saturday, Sundays and Public holidays, on which commercial banks in the city as notified in this Prospectus are open for business.</li><li>2. In respect to the time period between the Issue closing date and the listing of the specified securities on the stock exchange, working day shall mean all trading days of the Stock Exchanges, excluding Sundays and bank holiday in accordance with circular issued by SEBI.</li></ol>

**TECHNICAL/GENERAL AND INDUSTRY RELATED TERMS/ABBREVIATIONS**

<b>Term</b>	<b>Description</b>
AMFI	Association of Mutual Funds in India
AP	Authorised Persons
ARN	AMFI Registration Number
AUM	Assets under Management
AAUM	Average AUM
AMCs	Asset Management Companies
CAGR	Compound Annual Growth Rate
CPC	The Code of Civil Procedure, 1908
Capex	Capital expenditure
EBITDA	Restated profit for the period/year, adjusted to exclude tax expense, other income, depreciation and amortization expense, finance costs, and exceptional items.
ECL	Expected Credit Loss
ELSS	Equity Linked Savings Scheme
ETFs	Exchange-traded funds
FDs	Fixed deposits
FII	Foreign Institutional Investors
FVPTL	Fair Value through Profit or Loss
FVTOCI	Fair value through Other Comprehensive Income
GDP	Gross Domestic Product
GDS	Gross Domestic Savings
GST	Goods and Services Tax
HDFC Bank	HDFC Bank Limited
HDFC Limited	Housing Development Finance Corporation Limited
HDD	Hard Disk Drive
HNI	High Net worth Individual
IMF	International Monetary Fund
IT	Information Technology
MF	Mutual Fund
MFDs	Mutual Fund Distributors
MNREGA	Mahatma Gandhi National Rural Employment Guarantee Act
NCFE-FLIS	National Financial Literacy and Inclusion Survey
NDs	National Distributors
NPD	Non-personal Data
NSO	National Statistics Office
OCI	Other Comprehensive Income
PAT	Profit after Tax
PDP Bill	Personal Data Protection Bill, 2019
PLI	Production Linked Incentive
PNB Housing Finance Limited	Punjab National Bank Housing Finance Limited
RBI	Reserve Bank of India
RERA	Real Estate Regulatory Authority
RTAs	Registrar and Transfer Agents
SBI	State Bank of India

SIPs	Systematic Investment Plans
STT	Securities Transaction Tax
TER	Total Expense Ratio
UHNI	Ultra HNI
UTI	Unit Trust of India

**CONVENTIONAL AND GENERAL TERMS OR ABBREVIATIONS**

<b>Term</b>	<b>Description</b>
“₹”, “Rs.”, “Rupees” or “INR”	Indian Rupees
AIF(s)	Alternative Investment Fund(s) as defined in and registered with SEBI under the SEBI AIF Regulations
“AS” or “Accounting Standards”	Accounting Standards issued by the ICAI
BSE	BSE Limited
BSE SME	SME Platform of BSE Limited
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identity Number
Companies Act	Companies Act, 1956 and/or the Companies Act, 2013, as applicable
Companies Act, 1956	Companies Act, 1956, and the rules thereunder
Companies Act, 2013	The Companies Act, 2013, and the rules issued thereunder
Consolidated FDI Policy	The consolidated FDI Policy, effective from October 15, 2020, issued by the DPIIT, and any modifications thereto or substitutions thereof, issued from time to time
DBT	Direct Benefit Transfer
Depositories	NSDL and CDSL
Depositories Act	Depositories Act, 1996
DIN	Director Identification Number
DPITT	Department of Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India
DP ID	Depository Participant’s Identification
“DP” or “Depository Participant”	A depository participant as defined under the Depositories Act
EGM	Extraordinary General Meeting
EPF Act	Employees’ Provident Fund and Miscellaneous Provisions Act, 1952
EPS	Earnings Per Share
FCNR	Foreign Currency Non-Resident
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999, and the rules and regulations thereunder
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
“Financial Year”, “Fiscal”, “fiscal” or “FY”	Unless stated otherwise, the period of 12 months ending March 31 of that particular year
Fintech	Financial Technology
FOF	Fund of Funds
FPI(s)	Foreign portfolio investor(s) as defined under the SEBI FPI Regulations
FVCI(s)	Foreign venture capital investor(s) as defined and registered under the SEBI FVCI Regulations

<b>Term</b>	<b>Description</b>
“GoI” or “Government”	Government of India
GST	Goods and Services Tax
HUF	Hindu Undivided Family
ICAI	The Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards as adopted by the International Accounting Standards Board
“Income Tax Act” or “I.T Act”	The Income-tax Act, 1961
Ind AS	Indian Accounting Standards
India	Republic of India
Indian GAAP	Generally Accepted Accounting Principles in India
IPO	Initial public offering
IST	Indian Standard Time
KYC	Know Your Customer/ Client
MNREGA	Mahatma Gandhi National Rural Employment Guarantee Act
Mutual Fund(s)	Mutual funds registered under the SEBI (Mutual Funds) Regulations, 1996
“N.A.” or “NA”	Not Applicable
NAV	Net Asset Value
NACH	National Automated Clearing House
NEFT	National Electronic Fund Transfer
Non-Resident	A person resident outside India, as defined under FEMA and includes a Non-Resident Indian and FPIs
Notified Sections	The sections of the Companies Act, 2013 that have been notified by the Ministry of Corporate Affairs, Government of India, and are currently in effect
NR	Non-resident
NRE Account	Non-Resident External Account
NRI	An individual resident outside India who is a citizen of India or is an ‘Overseas Citizen of India’ cardholder within the meaning of section 7(A) of the Citizenship Act, 1955
NRO Account	Non-Resident Ordinary Account
NSDL	National Securities Depository Limited
“OCB” or “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 trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA. OCBs are not allowed to invest in the Issue
OCI	Other Comprehensive Income
p.a.	Per annum
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
PAT	Profit After Tax
PFRDA	Pension Fund Regulatory and Development Authority



<b>Term</b>	<b>Description</b>
PFRDA (POP) Regulations	Pension Fund Regulatory and Development Authority (Point of Presence) Regulations, 2018
PPP	Purchasing Power Parity
RBI	The Reserve Bank of India
Regulation S	Regulation S under the U.S. Securities Act
REIT	Real Estate Investment Trust
RERA Act	Real Estate (Regulation and Development) Act, 2016
RoNW	Return on Net Worth
RTGS	Real Time Gross Settlement
Rule 144A	Rule 144A under the U.S. Securities Act
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
SEBI BTI Regulations	Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994
SEBI Certification of Associated Persons Regulations	Securities and Exchange Board of India (Certification of Associated Persons in the Securities Markets) Regulations, 2007
SEBI Depositories and Participants Regulations	Securities and Exchange Board of India (Depositories and Participants Regulations) 2018
SEBI ESOP Regulations	Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI Intermediaries Regulations	Securities and Exchange Board of India (Intermediaries) Regulations, 2008
SEBI Intermediaries Circular on Conflicts	Circular bearing number CIR/MIRSD/5/2013 dated August 27, 2013 issued by the Securities and Exchange Board of India on General Guidelines for dealing with Conflicts of Interest of Intermediaries, Recognised Stock Exchanges, Recognised Clearing Corporations, Depositories and their Associated Persons in Securities Market
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012
SEBI FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014

<b>Term</b>	<b>Description</b>
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI Merchant Bankers Regulations	Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
SEBI PIT Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996
Systemically Important NBFCs	Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
“U.S.”, “USA” or “United States”	United States of America
UK	United Kingdom
US GAAP	Generally Accepted Accounting Principles in the United States of America
“USD” or “US\$”	United States Dollars
VAT	Value Added Tax
VCFs	Venture Capital Funds as defined in and registered with SEBI under the SEBI VCF Regulations or the SEBI AIF Regulations, as the case may be

## **FORWARD-LOOKING STATEMENTS**

This Draft Prospectus contains certain “forward-looking statements”. These forward-looking statements generally can be identified by words or phrases such as “aim”, “anticipate”, “believe”, “can”, “shall”, “could”, “expect”, “estimate”, “intend”, “likely to”, “may”, “objective”, “plan”, “seek”, “propose”, “project”, “will”, “will continue”, “will pursue” or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. However, these are not the exclusive means of identifying forward looking statements.

All forward-looking statements are subject to risks, uncertainties, expectations and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. All statements in this Draft Prospectus that are not statements of historical fact are ‘forward – looking statements’.

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, regulations and taxes and changes in competition in the industries in which we operate, incidence of any natural calamities and/or acts of violence.

Certain important factors that could cause actual results to differ materially from our expectations include, but are not limited to, the following:

1. Impact of the COVID-19 pandemic on our business and operations;
2. General economic and business conditions in India and other countries;
3. Our reliance on internet network and our ability to utilize systems in an uninterrupted manner;
4. Effect of lack of infrastructure facilities on our business;
5. Our ability to attract, retain and manage qualified personnel;
6. Our ability to successfully implement our growth strategy and expansion plans, technological changes;
7. Changes in fiscal, economic or political conditions in India;
8. The effect of wage pressures, seasonal hiring patterns and the time required to train and productively utilize new employees;
9. Any adverse outcome in the legal proceedings in which we are involved;
10. The occurrence of natural disasters or calamities;
11. Failure to obtain any approvals, licenses, registrations and permits in a timely manner;
12. Our ability to compete effectively, particularly in new markets and businesses;
13. Conflict of Interest with group companies, the promoter group and other related parties;
14. Other factors beyond our control; and

15. Our ability to manage risks that arise from these factors.
16. Ability to attract and retain partners and associates on our platforms and any inability to retain them;
17. Inability to grow at historical rates;
18. Recommendations, suggestions and advice provided by partners and associates using our platform to their clients may be subject to errors or fraudulent behaviour and are beyond our control that may lead to adverse impact to their clients;
19. Competition from existing and new market participants;
20. Failure to innovate and further develop our platform or our platform developments do not perform, or we are not able to keep pace with technological developments; and
21. Operational risks associated with the financial services industry.

For details regarding factors that could cause actual results to differ from expectations, see “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on pages 31, 127 and 218, respectively. 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 gains or losses could materially differ from those that have been estimated.

There can be no assurance to investors that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements to be a guarantee of our future performance.

Forward-looking statements reflect current views as on the date of this Draft Prospectus and are not guarantee of future performance. These statements are based on our management’s beliefs and assumptions, which in turn are based on currently available information. Although we believe 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.

Neither our Company, the LMs, our Promoter, our Directors, the Underwriter nor any of their respective affiliates 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 the SEBI ICDR Regulations, our Company and the LM will ensure that the investors in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchanges for the Issue.

## PRESENTATION OF FINANCIAL INDUSTRY AND MARKET DATA

### CERTAIN CONVENTIONS

All references in this Draft Prospectus to “India” are to the Republic of India and its territories and possessions and all references herein to the “Government”, “Indian Government”, “GoI”, “Central Government” or the “State Government” are to the Government of India, central or state, as applicable and all references to the “US”, “U.S.” “USA” or “United States” are to the United States of America and its territories and possessions.

Unless otherwise specified, any time mentioned in this Draft Prospectus is in Indian Standard Time (“IST”). Unless indicated otherwise, all references to a year in this Draft Prospectus are to a calendar year.

Unless stated otherwise, all references to page numbers in this Draft Prospectus are to the page numbers of this Draft Prospectus.

### FINANCIAL DATA

Unless stated otherwise or the context otherwise requires, the financial data in this Draft Prospectus is derived from the Restated Financial Information.

The restated audited financial information of the Company, which comprises of the restated audited balance sheet, the restated audited profit and loss information and restated audited cash flow information, for the years ended March 31, 2022, 2021 and 2020 together with the annexure and notes thereto.

For further information on our Company’s financial information, see “*Restated Financial Information*” beginning on page 181.

Our Company’s financial year commences on April 1 and ends on March 31 of the next year. Accordingly, all references in this Draft Prospectus to a particular Financial Year, Fiscal or Fiscal Year, unless stated otherwise, are to the 12-month period ended on March 31 of that particular calendar year.

The degree to which the financial information included in this Draft Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting policies and practices, Ind AS, the Companies Act and SEBI ICDR Regulations. Any reliance by persons not familiar with the aforementioned policies and laws on the financial disclosures presented in this Draft Prospectus should be limited. There are significant differences between Ind AS, Indian GAAP, U.S. GAAP and IFRS. Our Company does not provide a reconciliation of its financial statements with Indian GAAP, IFRS or U.S. GAAP requirements. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Draft Prospectus and it is urged that you consult your own advisors regarding such differences and their impact on our financial data. For further details in connection with risks involving differences between Ind AS and other accounting principles, see “*Risk Factors – Significant differences exist between Ind AS and other accounting principles, such as Indian GAAP, U.S. GAAP and IFRS, which investors may be*



*more familiar with and may consider material to their assessment of our financial condition which may be material to investors' assessments of our financial condition, result of operations and cash flows" on page 57 of this Draft Prospectus*

Unless the context otherwise indicates, any percentage or amounts (excluding certain operational metrics), with respect to financial information of our Company in "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on pages 31, 127 and 218, respectively, and elsewhere this Draft Prospectus have been calculated on the basis of our Restated Financial Information.

In this Draft Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All figures derived from our Restated Financial Information in decimals have been rounded off to the second decimal and all percentage figures have been rounded off to two decimal places. Further, any figures sourced from third party industry sources may be rounded off to other than to the second decimal to conform to their respective sources.

## **INDUSTRY AND MARKET DATA**

Unless stated otherwise, industry and market data used in this Draft Prospectus has been obtained or derived from publicly available information as well as industry publication and other sources.

Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. 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 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 and assumptions that may prove to be incorrect.

In accordance with the SEBI ICDR Regulations, "*Basis for the Issue Price*" beginning on page 107 includes information relating to our peer group companies. Accordingly, no investment decision should be made solely on the basis of such information.

The extent to which the market and industry data used in this Draft Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which business of our Company is conducted, and methodologies and assumptions may vary widely among different industry sources.

Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "*Risk Factors*" beginning on page 31. Accordingly, investment decisions should not be based solely on such information.

## **CURRENCY AND UNITS OF PRESENTATION**

All references to:

“Rupees” or “₹” or “INR” or “Rs.” are to Indian Rupee, the official currency of the Republic of India; and

“USD” or “US\$” or “\$” are to United States Dollar, the official currency of the United States of America.

Our Company has presented certain numerical information in this Draft Prospectus. All figures have been expressed in “Lakhs”, except where specifically indicated.

Figures sourced from third-party industry sources may be expressed in denominations other than Lakhs or maybe rounded off to other than two decimal points in the respective sources, and such figures have been expressed in this Draft Prospectus in such denominations or rounded-off to such number of decimal points as provided in such respective sources.

## SECTION II- SUMMARY OF THE OFFER DOCUMENT

The following is a general summary of the terms of the Issue and is not exhaustive. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Draft Prospectus, including “*Risk Factors*”, “*The Issue*”, “*Capital Structure*”, “*Objects of the Issue*”, “*Industry Overview*”, “*Our Business*”, “*Restated Financial Information*”, “*Outstanding Litigation and Other Material Developments*”, “*Issue Procedure*” and “*Main Provisions of the Articles of Association*” beginning on pages 31, 59, 78, 100, 116, 127, 181, 229, 271 and 317 respectively.

### A. PRIMARY DETAILS OF BUSINESS AND INDUSTRY

#### SUMMARY OF THE BUSINESS OF OUR COMPANY

Our Company offers diversified financial services such as Mutual Fund Distribution Services and Fixed Deposit Distribution Services, Real Estate Brokerage Services and Technical Consultancy and Outsourcing. We offer a technology enabled, comprehensive investment and financial services platform with end-to-end solutions critical for financial products distribution and presence across both online and offline channels.

For Detailed information on our business, please refer to chapter titled “*Our Business*” beginning from page no. 127 of this Draft Prospectus.

#### SUMMARY OF THE INDUSTRY IN WHICH OUR COMPANY OPERATES

The financial distribution industry in India has grown rapidly. Mutual fund AUM as a percentage of GDP has grown from 4.3% in the financial year 2002 to approximately 16.5% in the March 2022. In the long term, i.e. between March 2022 and March 2027, the overall industry’s AUM is projected to sustain a high growth trajectory of around 12% CAGR, reaching ₹ 67 trillion.

For Detailed information on our industry, please refer to chapter titled “*Industry Overview*” beginning from page no. 116 of this Draft Prospectus.

### B. OUR PROMOTER

Our Company is promoted by Mr. Hemant Dharnidharka and Mrs. Preeti Saraogi.

### C. SIZE OF THE ISSUE

<b>Initial Public Issue</b>	Upto 55,00,000 equity shares of face value of ₹1/- each (“Equity Shares”) of Dharni Capital Services Limited (“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”)
<b>Of which</b>	

<b>Market Maker Reservation Portion</b>	Upto [●] equity shares of face value of ₹1/- each for cash at a price of ₹[●]/- per equity share, aggregating to ₹[●] Lakhs will be reserved for subscriptions by the Market Maker to the issue .
<b>Net Issue</b>	[●] Equity Shares of ₹ 1.00 each for cash at a price of ₹ [●] per Equity Share (including premium of ₹ [●] per Equity Share) aggregating to ₹ [●]Lakhs

The issue and the net issue will constitute [●] % and [●] % respectively of the post issue paid up equity share capital of the company.

The Issue has been authorized by the Board of Directors vide a resolution passed at its meeting held on August 08, 2022 and approved by the shareholders of our Company vide a Special Resolution at the Extraordinary General Meeting held on August 10, 2022 pursuant to section 62(1)(c) of the Companies Act.

For further details, please refer to chapter titled “Terms of the Issue” beginning on page 256 of this Draft Prospectus.

#### **D. OBJECTS OF THE ISSUE**

After deducting the Issue related expenses in relation to the Fresh Issue, we estimate the proceeds of the fresh Issue to be ₹ [●] Lakh (“Net Proceeds”). The Object for which our Company intends to use the Net Proceeds are:

(₹ in Lakh)

Sr. No.	Particulars	Estimated Amount
1.	Investment in Wholly owned Subsidiary Company	[●]
2.	General Corporate Purpose*	[●]
	<b>Total utilization of net proceeds</b>	<b>[●]</b>

*\*the amount utilized for general corporate purpose shall not exceed 25% of the gross proceeds of the issue.*

For further details, please refer chapter “Objects of the Issue” beginning from page no.100 of this Draft Prospectus.

#### **E. AGGREGATE PRE-ISSUE SHAREHOLDING OF OUR PROMOTER, PROMOTER GROUP**

The aggregate pre-issue shareholding of our Promoter and Promoter Group as a percentage of the pre-issue paid-up Equity Share capital of our Company is set out below:

S No.	Name of shareholder	Pre - Issue	
		Number of Equity Shares	% of the pre issue Equity Share capital
Promoter(s)			
1.	Hemant Dharnidharka	1,39,50,000	93.00%
2.	Preeti Saraogi	10,00,000	6.67%
Sub total (A)		1,49,50,000	99.67%

<b>Promoter Group</b>			
1.	Hemant Dharnidharka HUF	10,000	0.07%
2.	Pramod Kumar Dharnidharka	10,000	0.07%
3.	Pramod Kumar Dharnidharka HUF	10,000	0.07%
4.	Payal Mohta	10,000	0.06%
5.	Khushboo Kanodia	10,000	0.06%
<b>Sub total (B)</b>		<b>50,000</b>	<b>0.33%</b>
<b>Total (A+B)</b>		<b>1,50,00,000</b>	<b>100.00%</b>

## **F. SUMMARY OF RESTATED FINANCIAL INFORMATION**

A summary of the Restated Financial Information are as follows:

<b>Particulars</b>	<i>(₹ in lakhs other than share data)</i> <b>For the year ended March 31</b>		
	<b>2022</b>	<b>2021</b>	<b>2020</b>
Equity Share capital	150.00	1.00	1.00
Net Worth	226.74	11.16	-4.11
Total Revenue	1469.40	255.41	19.87
Profit (or loss) after tax for the year	96.58	15.26	1.34
Basic and diluted earnings per share (₹ /share) (Pre Bonus)	44.71	15.26	1.34
Basic and diluted earnings per share (₹ /share) (Post Bonus)	1.34	0.46	0.04
Net asset value per Equity Share (basic and diluted)* (in ₹) (Pre Bonus)	50.39	11.16	-4.11
Net asset value per Equity Share (basic and diluted)* (in ₹) (Post Bonus)	1.51	0.33	-0.12
Total Borrowings (as per balance sheet)	0.00	9.35	22.48

\* *Net Asset Value per Equity Share = Share Capital plus Reserves and Surplus / Outstanding Number of Equity Shares*

For details, see “*Restated Financial Information*” on page 181.

## **G. QUALIFICATIONS OF THE STATUTORY AUDITOR WHICH HAVE NOT BEEN GIVEN EFFECT TO IN THE RESTATED FINANCIAL INFORMATION**

The Restated Financial Statements do not contain any qualification requiring adjustments by the Statutory Auditors.

## H. SUMMARY OF OUTSTANDING LITIGATION & OTHER MATERIAL DEVELOPMENTS

A summary of outstanding litigation proceedings involving our Company, its Subsidiary, Promoter, Directors, as on the date of this Draft Prospectus, is provided below:

Types of proceedings	Number of cases	Total amount involved (₹ in lakhs)
<b>Litigation involving our Company</b>		
<b>Against our Company</b>		
Material civil litigation proceedings	0	Nil
Criminal cases	0	Nil
Types of proceedings	Number of cases	Total amount involved (₹ in million)
Action taken by statutory and regulatory authorities	0	Nil
Taxation cases	0	Nil
<b>By our Company</b>		
Material civil litigation proceedings	0	Nil
Criminal cases	0	Nil
<b>Total</b>	<b>0</b>	<b>Nil</b>
<b>Litigation involving our Directors other than our Promoter</b>		
<b>Against our Directors</b>		
Material civil litigation proceedings	0	Nil
Criminal cases	0	Nil
Action taken by statutory and regulatory authorities	0	Nil
Taxation cases	0	Nil
<b>By our Directors</b>		
Material civil litigation proceedings	0	Nil
Criminal cases	0	Nil
<b>Total</b>	<b>0</b>	<b>Nil</b>
<b>Litigation involving our Promoters</b>		
<b>Against our Promoters</b>		
Material civil litigation proceedings	0	Nil
Criminal cases	0	Nil
Action taken by statutory and regulatory authorities	0	Nil
Disciplinary action taken against our Promoter in the five Fiscals preceding the date of this Draft Prospectus by SEBI or any stock exchange.	0	Nil
Taxation cases	0	Nil
<b>By our Promoters</b>		
Material civil litigation proceedings	0	Nil
Criminal cases	0	Nil
<b>Total</b>	<b>0</b>	<b>Nil</b>



<b>Litigation involving our Subsidiary</b>		
<b><i>Against our Subsidiaries</i></b>		
<i>Material civil litigation proceedings</i>	0	Nil
<i>Criminal cases</i>	0	Nil
<i>Action taken by statutory and regulatory authorities</i>	0	Nil
<i>Taxation cases</i>	0	Nil
<b><i>By our Subsidiaries</i></b>		
<i>Material civil litigation proceedings</i>	0	Nil
<i>Criminal cases</i>	0	Nil
<b><i>Total</i></b>	<b>0</b>	<b>Nil</b>

For further details, see “*Outstanding Litigation and Other Material Developments*” beginning on page 229.

## **I. RISK FACTORS**

Specific attention of the investors is invited to the section “*Risk Factors*” beginning on page 31 to have an informed view before making an investment decision.

## **J. SUMMARY OF CONTINGENT LIABILITIES**

As per Restated Financial Statements, no contingent liability exists for the financial year ended on March 31, 2022, 2021 and 2020.

For further details of our contingent liabilities, see “*Restated Financial Information - Note ---: Additional Information to the Restated Financial Information – Contingent Liabilities*” beginning on page 213.

## **K. SUMMARY OF RELATED PARTY TRANSACTIONS**

A summary of related party transactions entered into by our Company with related parties as at years ended March 31, 2022, March 31, 2021 and March 31, 2020 as derived from the Restated Financial Information, are as follows:

### **List of Related Parties and Nature of Relationship:**

<b>Relationship with Related party</b>	<b>Name of related parties</b>
Key Managerial Personnel (Director)	Hemant Dharnidharka
Key Managerial Personnel (Director)	Preeti Saraogi
Father of one of the Director	Pramod Kumar Dharnidharka
HUF of Father of one of the Director	Pramod Kumar Dharnidharka HUF
Mother of one of the Director	Urmila Devi Dharnidharka
Sister of one of the Director	Khushboo Kanodia
Sister of one of the Director	Payal Mohta
Note: The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets and liabilities, profits and losses and cash flows appearing in Annexure V, I, II III of <i>Restated Financial Statements</i> beginning on page no.192	

Transactions carried out with related parties referred to in (A) above, in ordinary course of business:

(₹ in lakhs)

<b>Transaction with Key Management Personnel</b>				
<b>Nature of Transaction</b>	<b>Name of Related Party</b>	<b>As at March 31, 2022</b>	<b>As at March 31,2021</b>	<b>As at March 31,2020</b>
Unsecured Loan	Hemant Dharnidharka	NIL	7.35	12.49
Unsecured Loan	Preeti Saraogi	NIL	2.00	9.98

(₹ in lakhs)

<b>Related Party</b>				
<b>Nature of Transaction</b>	<b>Name of Related Party</b>	<b>As at March 31, 2022</b>	<b>As at March 31,2021</b>	<b>As at March 31,2020</b>
Professional Fees	Pramod Dharnidharka	2.00	8.00	-
Commission	Pramod Dharnidharka HUF	9.00	11.00	-
Professional Fees	Urmila Devi Dharnidharka	-	9.00	-
Professional Fees	Khushboo Kanodia	8.30	15.00	-
Professional Fees	Payal Mohta	9.00	12.00	-

#### **Outstanding Balance as at the end of the year**

(₹ in lakhs)

	<b>Nature of Transaction</b>	<b>As at March 31,2022</b>	<b>As at March 31,2021</b>	<b>As at March 31,2020</b>
1.Payables/ (Receivable)	Trade Creditors for Services	0.42	0.92	0.30
	Trade Receivable- Others	20.22	-	1.19

Note : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure V, I, II III of *Restated Financial Statements* beginning on page no.192

For details of the related party transactions as reported in the Restated Financial Statement, see “Note 27. – Related Party Disclosures” on page 213.

## **L. FINANCING ARRANGEMENTS**

There have been no financing arrangements whereby our Promoters, members of our Promoter Group, our Directors, and their relatives have financed the purchase by any other person of securities of our Company (other than in the normal course of the business of the relevant financing entity) during a period of six months immediately preceding the date of filing of this Draft Prospectus.

## **M. WEIGHTED AVERAGE PRICE AT WHICH EQUITY SHARES WERE ACQUIRED BY OUR PROMOTER**

The weighted average price at which the Equity Shares were acquired by our Promoter in the one year preceding the date of this Draft Prospectus is:

<b>Name of the Promoter</b>	<b>Number of Equity Shares acquired</b>	<b>Weighted average price of acquisition per Equity Share (in ₹)*</b>
Mr. Hemant Dharnidharka	1,39,01,000	0.78
Mrs. Preeti Saraogi	9,49,000	1.02

*\*As certified by M/s B S D & Co. Chartered Accountants, by way of their certificate dated August 30, 2022 bearing UDIN: 22230591ATKAIJ7073.*

## **N. AVERAGE COST OF ACQUISITION OF EQUITY SHARES BY PROMOTER**

The average cost of acquisition of Equity Shares of our Promoter as on the date of this Draft Prospectus are as set forth in the table below:

<b>Name of the Promoter</b>	<b>Number of Equity Shares held</b>	<b>Average cost of acquisition per Equity Share (in ₹)*</b>
Mr. Hemant Dharnidharka	1,39,50,000	0.78
Mrs. Preeti Saraogi	10,00,000	1.02

*\*As certified by M/s B S D & Co Chartered Accountants, by way of their certificate dated August 30, 2022 bearing UDIN: 22230591ATKAIJ7073.*

## **O. DETAILS OF PRE-ISSUE PLACEMENT**

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

## **P. ISSUANCE OF EQUITY SHARES FOR CONSIDERATION OTHER THAN CASH IN THE LAST ONE YEAR**

Our Company has not issued any Equity Shares for consideration other than cash in the one year preceding the date of this Draft Prospectus, except for the following.

Date of Issue / Allotment	No. of Equity Shares	Face Value (₹)	Issue Price (₹)	Reasons for allotment	Name of allottees	No. of shares allotted	Benefits Accrued
February 25, 2022	1,45,50,000	1	NIL	Bonus in the ratio of 97:3 i.e. 97 Equity Share for every 3 Equity Share held	Hemant Dharnidharka	1,35,31,500	Capitalization of Reserves & Surplus
					Preeti Saraogi	9,70,000	
					Hemant Dharnidharka – HUF	9,700	
					Pramod Kumar Dharnidharka	9,700	
					Pramod Kumar Dharnidharka – HUF	9,700	
					Payal Mohta	9,700	
					Khushboo Kanodia	9,700	

#### **Q. SPLIT OR CONSOLIDATION OF EQUITY SHARES IN THE LAST ONE YEAR**

Our Company has not undertaken a split or consolidation of the Equity Shares in the one year preceding the date of this Draft Prospectus.

#### **R. EXEMPTION FROM COMPLIANCE**

As on date of the Draft Prospectus, our Company has not availed any exemption from complying with any provisions of securities laws granted by SEBI.

### SECTION III: RISK FACTORS

*An investment in equity shares involves a high degree of risk. Potential investors should carefully consider all the information in this Draft Prospectus, including the risks and uncertainties described below, before making an investment in the Equity Shares. The risks described below are not the only ones relevant to us or our Equity Shares, the industry in which we operate or to India. Additional risks and uncertainties, not currently known to us or that we currently do not deem material may also adversely affect our business, results of operations, cash flows and financial condition. If any or some combination of the following risks, or other risks that are not currently known or believed to be adverse, actually occur, our business, results of operations and financial condition could suffer, the trading price of, and the value of your investment in, our Equity Shares could decline and you may lose all or part of your investment. To the extent the COVID-19 pandemic adversely affects our business and financial results, it may also have the effect of heightening many of the other risks described in this section. In order to obtain a complete understanding of our Company and our business, prospective investors should read this section in conjunction with “Our Business”, “Industry Overview”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Financial Information” beginning on pages 127, 116, 218 and 181 respectively, as well as the other financial and statistical information contained in this Draft Prospectus. In making an investment decision, prospective investors must rely on their own examination of us and our business and the terms of the Issue including the merits and risks involved.*

*Potential investors should consult their tax, financial and legal advisors about the particular consequences of investing in the Issue. Unless specified or quantified in the relevant risk factors below, we are unable to quantify the financial or other impact of any of the risks described in this section. Prospective investors should pay particular attention to the fact that our Company is incorporated under the laws of India and is subject to a legal and regulatory environment, which may differ in certain respects from that of other countries.*

*Unless otherwise indicated or the context otherwise requires, the financial information for Fiscals 2022, 2021 and 2020 included herein is derived from the Restated Financial Statements, included in this Draft Prospectus. For further information, see “Financial Information” beginning on page 181*

*This Draft Prospectus also contains forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Prospectus. See “Forward-Looking Statements” on page 18.*

*Our Company’s Fiscal commences on April 1 and ends on March 31 of the immediately subsequent year, and references to a particular Fiscal are to the 12 months ended March 31 of that particular year. Unless otherwise indicated or the context otherwise requires, in this section, references to “the Company” or “our Company” are to Dharni Capital Services Limited on a standalone basis.*

*Unless stated or, the context requires, otherwise, the financial information of our Company has been derived from the Restated Financial Statements included in this Draft Prospectus.*

*Unless otherwise indicated, industry and market data used in this section has been derived from the report titled: Census 2011, World Urbanization Prospects: Revision (UN)The 2018, IMF (World Economic Outlook – April 2021 as have been indicated and from general Company research (whereby various data points were collected and presented) where we were unable to source data from public domain.*

*Unless otherwise indicated, all financial, operational, industry and other related information derived from above mentioned Articles, Report, Company Research Analysis and included herein with respect to any particular year, refers to such information for the relevant year. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any of the risks described in this section.*

## **MATERIALITY**

The Risk factors have been determined on the basis of their materiality. The following factors have been considered for determining the materiality.

- Some events may have material impact quantitatively;
- Some events may have material impact qualitatively instead of quantitatively.
- Some events may not be material individually but may be found material collectively.
- Some events may not be material at present but may be having material impact in future.

*Note:*

*Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial implication of any of the risks described in this section.*

## **INTERNAL RISK FACTORS**

- 1. We operate in a regulated environment, which is subject to change, and existing and new laws, regulations and government policies affecting the sectors in which we operate could adversely affect our business, financial condition and results of operations**

We believe that regulatory changes in our industry are likely to continue, which is likely to subject industry participants to additional and generally more stringent regulations. The requirements imposed by our regulators are designed to ensure the integrity of the financial and other markets and to protect investors and other third parties who deal with us, and may not always coincide with the interests of our shareholders. Consequently, these regulations may serve to limit our activities and/or increase our costs through market conduct requirements. We may also be adversely affected by changes in the interpretation or enforcement of existing laws and rules by various governmental authorities and self-regulatory organizations.



Our business activities are subject to supervision and regulation by various regulatory authorities, such as AMFI and RERA. The laws and regulations governing advisory and distribution services relating to financial products have become increasingly complex and cover a wide variety of issues, including registration, disclosures and conflicts. Our business and financial performance could be adversely affected by unfavourable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations applicable to us and our business. While we endeavor to comply with applicable regulatory requirements, it is possible that such compliance measures may restrict our business and operations, result in increased cost and onerous compliance measures and an inability to comply with such regulatory requirements may attract penalty. Any future changes and related uncertainties with respect to the applicability, interpretation and implementation of any amendment to, or changes to governing laws, regulation or policy in the jurisdictions in which we operate may have a material adverse effect on our business, financial condition and results of operations. In addition, we may have to incur expenditures to comply with the requirements of any new regulations, which may also adversely affect our results of operations. Any unfavourable changes to the laws and regulations applicable to us could also subject us to additional liabilities. For further details, please see “*Key Regulations and Policies of India*” on page 135.

**2. Our registration with AMFI, Karnataka RERA and Shop & Establishment are still in the old name of the Company i.e. Dharni Online Services Private Limited and failure to get the name changed may have a material adverse effect on our operations**

We require certain approvals, licenses, registrations and permissions for operating our business. If we are unable to make applications to retain any of these approvals or licenses, or renewals thereof, in a timely manner or at all, our business may be adversely affected. For details see “Government and Other Approvals” beginning on page 236.

Further, the registrations with AMFI, RERA and Shop & Establishment for registered office are continuing in the old name of the Company i.e. Dharni Online Services Private Limited. Our Company shall get the same amended at the time of its renewal which are falling due on April 22, 2024, August 13, 2026 and December 31, 2025 respectively.

In case we are unable to affect the change of name at the time of renewal, it may adversely affect the business operations for temporary period and in turn the financial performance of the Company would also be affected.

**3. We are excessively dependent upon referrals for our distribution business and the entire referrals are from related party**

The success of our business is entirely dependent on the referrals received from third party and our Company has received the referrals only from related parties to whom the commissions are been paid for such referrals.

Our ability to expand the business shall depend upon reducing the dependence upon the related parties for such referrals and attract such other referral agents through which we can explore new market participants which will help us in growing our business.

**4. Our inability to grow at our historical rates could adversely affect our business, results of operations and financial condition**

Our Mutual fund distribution business was started on 23-April-2018. Measured in terms of AUM, it stood at ₹ 637 million as at March 31, 2022. Also, the commission received from the real estate activities have substantially increased, having reached to 8.46 million in 2022 (RERA registration was secured only on August 13, 2021). We cannot assure you that we will be able to replicate or sustain the growth we have witnessed in the last few years.

The products distributed and sold by us may have benefitted recently from positive market conditions and the economic scenario of India. However, these conditions may not sustain, and we may not be able to grow in the same manner as we historically have. Any such change in market or economic conditions or inability to grow in the same manner as we have previously, could have an adverse impact on the investment performance for our clients which may impact our ability to retain clients or attract new clients.

**5. Competition from existing and new market participants in our line of business may affect our results of operations**

We face competition from various intermediaries in the financial services industry, including other mutual fund distributors and wealth management entities, who cater to the needs of the Clients. Since, we are comparatively very small player in the industry, the competition and new market participants in our line of business may affect our results of operations.

We also face competition from several market participants, including more established players, who may have greater access to resources or technology. As a consequence, we may not be able to retain end customers or generate new business or may choose to migrate their new business to more established players, who are able to offer greater benefits.

**6. Our revenues from distribution of mutual funds are dependent on certain AMCs and our sustained ability to increase our AUM as well as on the performance of the funds that we distribute. Any changes in the total expense ratio due to regulatory changes may reduce our distribution commission income which may have an adverse effect on our business, financial condition or results of operation**

We are empaneled with several AMCs for whom we act as a distributor for their mutual fund schemes, for which we earn commission. Our commissions on distribution of mutual funds are dependent on the value of AUM. The mutual fund distribution business constitutes a significant part of our revenue. For Fiscals 2022, 2021 and 2020 our total commission and fee income from distribution of mutual fund products contributed 75.4% %, 19.9% and 2.9% of our total revenue from operations, respectively of which the top five AMCs accounted for 74.7%, 13.9% and 2.8% of our total revenue,

respectively with the single largest AMC contributing 21.2%, 3.8% and 0.9%, respectively. Any adverse change in our AUM may result in a decline in our revenue and profitability.

Further, our distribution arrangements with AMCs may be terminated without cause. Additionally, if the AMCs reduce the total expense ratio due to regulatory changes, they may reduce our distribution commission income, which would impact our revenues and results of operations.

All market linked securities are subject to a degree of risk, including loss of part or all of the investment made by an investor. Market conditions, declines in the Indian equity markets, declines in systematic investment plans, economic volatility or changes in the financial environment may render our products less attractive to investors. Under-performance of mutual fund as an investment class or our financial products distributed by us could lead to a loss of investors, failure to attract new investors, reduction in AUM, which in turn could adversely affect our results of operations.

**7. The success of our real estate broking business is dependent on our ability to anticipate and respond to consumer requirements and preferences**

Our Company is registered with Karnataka RERA and carrying on the real estate broking activities. The changing lifestyle and the effect of Covid19 has resulted in a substantial change in the nature of demands in the real estate segment. Increasingly, consumers are seeking better housing as well as commercial space. If we fail to anticipate and respond to consumer requirements, we could lose potential clients to our competitors, which in turn could adversely affect our business, prospects, financial condition and results of operations.

**8. The real estate broking industry is intensely competitive and our inability to compete effectively may adversely affect our business, results of operations, financial condition and cash flows**

We face significant competition from a number of real estate brokers that operate in the same geographic region in which we operate. Certain of our competitors may be larger than us, better renowned, have more financial resources, expertise or benefit from a more experienced management team. There can be no assurance that we will be able to continue to compete effectively with our competitors in the future, which may have an adverse effect on our business, results of operations, financial condition and cash flows.

Further, there are few online platforms which offers real estate broking without charging any fees / commission and any traction of our customers towards those online portals might impact our revenues considerably.

**9. The commercial property rates in Bangalore have increased now after the pandemic, resulting into decrease in the rental yields. There is a risk of property rates going up further, owing to market forces. This could impact our revenue from real estate broking services**

Post the implementation of RERA and the covid pandemic, the Bangalore Real Estate market has performed better than most other markets. It has now recovered from the steadiness or Dip in the sector & is now heading strongly to cater the supply & demand effectively. The Bangalore residential as well as commercial Real Estate market is amongst the top few Real Estate markets in the country, with the presence of multiple listed and soon to be listed players like Prestige, Embassy, Godrej, Sobha, Brigade, Purvankara, Sumadhura, etc.

Bangalore's housing market has witnessed good growth arising from positive customer sentiments, heightened commercial activities and upgrades to infrastructure along with higher job opportunities. Bangalore is a market driven more by end-users compared to other large real estate markets in India.

There is increasing demand from the flourishing IT and ITeS sector and also through the start-up scene in the city which is thriving. Top-class healthcare and educational facilities available in the city. There is continual upgrades in terms of physical infrastructure. These reasons contribute to the rise in prices in the Bangalore real estate sector.

The average office rental in the Large Real estate markets in H2 2021 in India is as follows:

Area	Rental per sq feet per month in Rs.
Mumbai Metropolitan Region	107
National Capital region	82
Bengaluru	73
Pune	67
Hyderabad	61
Chennai	58
Ahmedabad	40
Kolkata	35

Source: <https://www.statista.com/statistics/1037221/india-office-space-rental-values-by-city/>

If the property prices continue to go up, the number of people willing to buy properties may go down. As property prices go up, the rental yields on properties would go down. Both these reasons could result in a decrease in property transactions. In such a scenario, there cannot be any guarantee that the performance of the Company could sustain as Company has earned 5.77 % of the total revenue from real estate broking in F.Y. ended March 31, 2022.

- 10. We also operate in the technical consultancy and outsourcing business where we are dependent on other agencies/individuals to accomplish the work assigned by our clients. This would also impact the quality of service provided by the third-parties**

Our company provides technical consultancy and outsourcing services to select clients and the same contributes the substantial revenue to the topline of our Company with ultra-thin margins. Our company takes projects from the clients and thereafter sub-distributes the same to various professional individuals and organizations. We are dependent on these professional individuals/organisations to deliver the services for our clients and this dependency may result in failure of meeting the deliverables in timely manner.

Since we do not possess the requisite expertise, we cannot control the qualitative outcome which may result in the reputational loss as well as results of operations as far as topline in the financials of our Company are concerned.

- 11. We operate in the fixed deposits distribution business where the demand for fixed deposits is dependent on the interest rate and any change in interest rates may impact the demand for fixed deposits**

One of the key considerations for Fixed Deposit distribution is prevailing interest rates and policies of RBI. This may impact the acceptability of fixed deposits by the depositors. As the depositors may find other lucrative investable avenues and does not opt for placing fixed deposits offered by various banks / financial institutions including non-banking finance companies, the revenue from such fixed deposit distribution business might be affected adversely.

The Company had in the financial year ended March 31, 2022 earned net income of Rs. 45.07 Lakhs from fixed deposit distribution activities and any adverse interest rate fluctuation may effect the overall distribution business and consequent impact on the financials and future performance of the Company.

- 12. Failure to offer client support in a timely and effective manner may adversely affect our relationships with our clients**

From time to time, our clients require our support to assist them in managing their investments / assignments or other matters effectively, help them in resolving the issues quickly and in providing continued support. If we do not devote sufficient resources or are otherwise unsuccessful in assisting our clients effectively in a timely manner or at all, it could adversely affect our ability to retain existing clients and could prevent prospective clients from adopting our product and services. We may be unable to keep up the pace of our client support to compete with changes in the support services provided by our competitors. Increased demand for client support, without corresponding revenue, could increase costs and adversely affect our reputation, business, results of operations and financial condition. Any failure to maintain high-quality client support, or a market perception that we do not maintain high-quality client support, could adversely affect our reputation, business, results of operations and financial conditions.

- 13. If we do not continue to innovate and further develop or not perform, or we are not able to keep pace with technological developments, we may not remain competitive and our business and results of operations could suffer**

Our operations are dependent on the effectiveness of our technological platform and the ability to record and process accurate transactions on a daily basis and in a timely manner to provide a seamless digital experience to our clients.

Our inability to keep up with such changes could render our existing technologies and systems obsolete. The development of mobile applications, entails technical and business risks. There can be no assurance that we will be able to use new technologies effectively or adapt our mobile applications to meet customer requirements or emerging industry standards. This would affect our business adversely.

- 14. The deterioration of general economic conditions due to COVID-19 and the extent to which the recent escalation of the COVID-19 pandemic will impact our future business and results of operations will depend on future developments, which are difficult to predict**

Since first being reported in December 2019, the outbreak of COVID-19 has spread globally. The World Health Organization declared the novel coronavirus disease (“COVID-19”) outbreak a Public Health Emergency of International Concern on January 30, 2020, and a pandemic on March 11, 2020. In the first half of calendar year 2020, COVID-19 spread to a majority of countries across the world, including India. The rapid and diffused spread of COVID-19 and global health concerns relating to this pandemic have had a negative impact on, among other things, economic conditions and trade and could continue to do so or could worsen for an unknown period of time, that could in turn have a material adverse impact on our business, cash flows, results of operations and financial condition, including liquidity and growth. The nature of our business requires personal meetings and face-to-face discussions with clients, which could not take place effectively during the initial phase of the pandemic. The extent to which subsequent waves of the COVID-19 outbreak impacts our business, cash flows, results of operations and financial condition will depend on future developments, including on the duration and severity of the pandemic, the nature and scope of government actions to contain it, and the potential impact on global and national economic conditions, including inflation, interest rates, functioning of capital markets, consumer spending rates, energy availability and costs (including fuel surcharges), which are highly uncertain and cannot be predicted. The scope, duration and frequency of any potential containment measures and the adverse effects of COVID-19 remain uncertain and are likely to be severe. In addition, while the Government of India, in coordination with the state governments, has started the bulk immunization process or vaccination drive since January 16, 2021, achieving complete vaccination scale may take a significant amount of time. There is also no assurance that the vaccines that are developed will be fully effective and/ or will not have side effects.

Some of the ascertainable impact of COVID-19 pandemic and the pandemic induced lockdown on our business and operations include:



- Inability to effectively execute our business plans and strategies; and
- Temporary decline in mutual fund aum due to volatility in the market.

The COVID-19 pandemic, or any future pandemic or widespread public health emergency could therefore materially and adversely impact our business, financial condition, cash flows and results of operations.

To the extent that the COVID-19 pandemic adversely affects our business and operations, it may also have the effect of heightening many of the other risks described in this “*Risk Factors*” section.

**15. If we are unable to source business opportunities effectively, we may not achieve our financial objectives**

Our ability to achieve our financial objectives will depend on our ability to identify, evaluate and accomplish business opportunities. However, we cannot assure you that such things will contribute to the success of our business or that we will implement such systems effectively. Our failure to source business opportunities effectively could have a material adverse effect on our business, financial condition and results of operations. It is also possible that the strategies used by us in the future may be different from those presently in use. No assurance can be given that our analyses of market and other data or the strategies we use or plans in future to use will be successful under various market conditions.

**16. Our client’s proprietary rights may be misappropriated by our employees / referral agents in violation of confidential information and as a result, cause us to breach our obligations in relation to such proprietary rights.**

We can give no assurance that the steps taken by us will be adequate to enforce our client’s intellectual property rights or to adequately prevent the disclosure of confidential information by an employee or referral agents. If our client’s proprietary rights are misappropriated by our employees or distributors in violation of any applicable confidentiality agreements or otherwise, our clients may consider us liable for that act and seek damages and compensation from us. We cannot assure you that the existing security measures shall be adequate or we will be able to comply with all such obligations and that we will not incur liability nor have a claim for substantial damages against us.

**17. We are highly dependent on our management team and key management personnel. Any loss of such key managerial personal or the inability to attract or retain management personnel may have material adverse effect on our business performance**

Our business, performance and the implementation of our strategy are dependent upon our management team and key managerial personnel including Managing Director viz. Mr. Hemant Dharnidharka, Promoter Director viz. Mrs. Preeti Saraogi and Chief Financial Officer viz. Mr. Pramod Dharnidharka who oversee our day-to-day operations, the strategy and growth of our business.

We cannot assure you that members of our management team will not leave our Company and that we will be able to find suitable replacements for them, in a timely manner or at all. If one or more members of our management team, including our KMPs are unable or unwilling to continue in their present positions, such persons would be difficult to replace and there could be a material adverse effect on our business, prospects and results of operations. For further details on our management team, see 'Our Management' on page 149.

**18. Non-compliance with regulatory guidelines and directions/ observations during inspection by regulatory organisations may have a material adverse effect on our business, financial condition or results of operation**

We are subject to regular scrutiny supervision and periodic inspections by regulators as well as regulatory organisations such as RERA and AMFI. The requirements imposed by these regulators are designed to ensure the integrity of the markets in which we operate and to protect investors' interests. Any non-compliance with regulatory guidelines and directions may result in regulatory actions which includes issuance of administrative/warnings/deficiency letters, fines or sanctions imposed by these regulators and in some circumstances could lead to revocation of our licenses. Any negative findings against us during such inspections may materially and adversely affect our business and results of operations.

While we attempt to comply with all regulatory provisions applicable to us, in the event we are not able to comply with the observations made by these regulators, we could be subject to supervisory actions, which may have a material adverse effect on our reputation, financial condition and results of operations.

**19. If our techniques and processes for managing risks are ineffective, we may be exposed to material unanticipated losses**

We have established a system of risk management and internal controls consisting of an organizational risk management framework, policies, risk management system tools and procedures that we consider to be appropriate for our business operations. Our risk assessment methods depend upon the extant regulatory requirements, historical market behaviors and statistics, the evaluation of information regarding financial markets, clients or other relevant matters that are publicly available or otherwise accessible to us. Such information may not be accurate, complete or properly evaluated. However, due to the inherent limitations our risk management systems and mitigation strategies may not be adequate or effective in identifying or mitigating our risk exposure in all market environments or against all types of risks in a timely manner, or at all. Further, we may not be able to completely avoid the occurrence of or timely detect any operational failure.

Effective internal controls are necessary for us to manage our operations, prepare reliable financial reports and effectively avoid fraud. Moreover, any internal controls that we may implement, or our level of compliance with such controls, may deteriorate over time, due to evolving business conditions. There can be no assurance that deficiencies in our internal controls will not arise in the future, or that we will be able to

implement, and continue to maintain, adequate measures to rectify or mitigate any such deficiencies in our internal controls. Any inability on our part to adequately detect, rectify or mitigate any such deficiencies in our internal controls may adversely impact our ability to accurately report, or successfully manage, our financial risks, and to avoid fraud.

**20. Direct investments in mutual funds by our existing as well as potential clients will have an adverse impact on our revenue from mutual fund distribution**

We derive certain part of our revenue from the commission and trail income i.e. in the nature of a recurring periodic payment as long as the AUM is reflected in our ARN code. With growing technology and increase in the ease of investments in such funds, our existing, as well as potential clients may not see significance in choosing to make their investments through us, and may choose to invest in such funds directly, thereby reducing or eliminating our involvement in the process of investments. In the event that such existing or potential clients choose to invest in such funds directly, our AUM or growth in AUM may reduce which would have an adverse impact on our business and results of operations.

**21. Our business operations are also dependent on software application. Failure or disruption of our application may adversely affect our business, financial condition, results of operations and prospects**

We have implemented a software application “Dharni Wealth” and “Dharni Online” in which the clients of our company can view their portfolios across asset classes. This application is potentially vulnerable to damage or interruption from a variety of sources, which could result in a material adverse effect on our operations. An IT malfunction could disrupt our business or lead to disclosure of sensitive company information. Our ability to maintain our business operations depends on the proper and efficient operation and functioning of various IT systems, which are susceptible to malfunctions and interruptions (including those due to equipment damage, power outages, computer viruses and a range of other hardware, software and network problems).

Any failure or disruption in the operation of the systems or the loss of data due to failure or disruption (including due to human error or sabotage) may affect our ability to plan, track, record and analyse work in progress and sales, process financial information, meet business objectives or otherwise conduct our normal business operations, which may increase our costs and otherwise adversely affect our business, financial condition, results of operations and prospects.

**22. We may fail to detect money laundering and/or other illegal or improper activities in our business operations on a timely basis, which may have an adverse effect on our reputation, business operations, financial condition and results of operation**

Since we are engaged inter alia in distribution of financial instruments and real estate broking and both of which are vulnerable to money laundering, we are required to be more vigilant and need to confirm to the anti-money laundering laws and regulations, to the extent applicable to us. Since, we are involved in monetary transactions for a

significant number of clients, the procedures implemented by us for detecting and preventing the use of our services to facilitate money laundering activities may not comprehensively detect or eliminate instances of money laundering.

We, in the course of our operations, run the risk of failing to comply with the prescribed procedures and the consequent risk of fraud and money laundering by dishonest customers despite putting in place systems and controls to prevent the occurrence of these risks as is customary in our jurisdiction. Failure of the control and measures implemented by us to detect illegal or improper activities undertaken through us in a timely manner, or at all, could lead to regulatory actions against us and adversely affect our reputation.

Any such lapse may adversely affect our reputation, business operations, financial condition and results of operations.

**23. Our Company has entered into related party transactions in the past and may continue to enter into related party transactions in the future, which may potentially involve conflicts of interest with the equity shareholders**

Our Company have entered into certain related party transactions with our Promoters and Directors in the past. For details, please see “Annexure V of Restated Financial Statements” under the chapter titled “Restated Financial Statements” beginning on page 197 of this Draft Prospectus. While our Company believes that all such transactions have been conducted on the arm’s length basis, there can be no assurance that it could not have been achieved on more favourable terms had such transactions not been entered into with unrelated parties. Further, it is likely that we may enter into related party transactions in the future and such transactions may potentially involve conflicts of interest. In terms of the Companies Act, 2013 and SEBI LODR Regulations, we are required to adhere to various compliance requirements such as obtaining prior approvals from our Audit Committee, Board and Shareholders for certain party transactions and our undertakes that such related party transactions shall not be done against the interests of the Company and its shareholders as prescribed in the SEBI LODR Regulations. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operations.

**24. We may be unable to detect and deter misconduct of our employees or referral agents or other third-party service providers, or failure of our internal processes and procedures, which could harm our brand and our reputation, or lead to regulatory fines or litigation against us**

Our business is exposed to the risk of employee / referral agents and third-party misconduct, fraud, or the failure of our internal processes and procedures. We are vulnerable to reputational harm because we operate in an industry in which personal relationships, integrity and the confidence of our clients are of critical importance. Our employees / referral agents and other third parties whom we deal with could engage in misconduct that adversely affect our business.

We may also be subjected to fraudulent behaviour and disclosures by clients and third parties in respect of other areas of our operations, including money laundering and forgery, which may negatively impact our ability to comply with applicable regulations, which could result in us being subjected to regulatory action, and have an adverse impact on our results of operations, profitability and reputation.


**25. Security breaches of clients' confidential information that we store may harm our reputation and expose us to liability**


We store clients' information and other sensitive data. While we have measures and systems in place to protect clients' confidential data, any accidental or willful security breach or other unauthorized access could cause the theft and criminal use of this data. Security breach or unauthorized access to confidential information could also expose us to liability related to the loss of such information, time-consuming and expensive litigation and negative publicity. If security measures are breached because of third party action, employee error, malfeasance or otherwise, or if design flaws in our software are exposed and exploited, and, as a result, a third party obtains unauthorized access to client data, our relationships with clients will be severely damaged, and we could incur significant liability and reputational damage.

Because techniques used to obtain unauthorized access or to sabotage systems change frequently and generally are not recognized until they are launched against a target, we and our third party hosting facilities may be unable to anticipate these techniques or to implement adequate preventative measures. In addition, we may be required under applicable regulations to notify individuals of data security breaches involving their personal data. These mandatory disclosures regarding a security breach are costly to implement and often lead to widespread negative publicity, which may cause clients to lose confidence in the effectiveness of our data security measures.

With the proposed enactment of the Personal Data Protection Bill, 2019 ("PDP Bill"), and the ongoing regulatory discussions in connection with proposed Indian regulation to govern non-personal data, the privacy and data protection laws are set to be closely administered in India, and we may become subject to additional potential compliance requirements. The PDP Bill proposes a legal framework governing the processing of personal data, where such data has been collected, disclosed, shared or otherwise processed within India, as well as any processing of personal data by the GoI, Indian companies, Indian citizens or any person or body of persons incorporated or created under Indian law. The PDP Bill defines personal data and sensitive personal data, prescribes rules for collecting, storing and processing of such data and creates rights and obligations of data-subjects and processors. The Indian Government has also been mooting a legislation governing non-personal data. In September 2019, the Ministry of Electronics and Information Technology formed a committee of experts ("NPD Committee") to recommend a regulatory regime to govern non- personal data ("NPD"). The NPD Committee has released two reports till date, which recommend, among other items, a framework to govern NPD (defined as any data other than personal data), access and sharing of NPD with government and corporations alike and a registration regime and for "data businesses", being business that collect, process or store data, both personal and non-personal. For further details, see "Key Regulations and Policies in India" beginning on page 135.



26. **Our Company logo  is not registered with Registrar of Trademark; any infringement of our brand name or failure to get it registered may adversely affect our business. Further, any kind of negative publicity or misuse of our brand name could hamper our brand building efforts and our future growth strategy could be adversely affected**

Our Company has not made any application for registration with the Registrar of Trademark for registration of brand name “ **DHARNI Group**” and logo under which we conduct the business. If we are unable to register the intellectual property in future in our name or any objection on the same may require us to change our logo and hence may loose on the goodwill created so far. Further, the same may involve costly litigations and penal provisions if some legal consequences arise if someone from outside use our name and logo of the Company. We believe that our future growth and competitiveness would depend on our ability to establish and strengthen our brand. We cannot guarantee that we will be able to make a lasting brand image with our clients and other people in the absence of a logo. Although, we believe that our present systems are adequate to protect our confidential information and intellectual property, there can be no assurance that our intellectual property data will not be copied, infringed or obtained by third parties. Further, our efforts to protect our intellectual property may not be adequate and may lead to erosion of our business value and our operations could be adversely affected. This may lead to litigations and any such litigations could be time consuming and costly and their outcome cannot be guaranteed. Our Company may not be able to detect any unauthorized use or take appropriate and timely steps to enforce or protect our intellectual property, which may adversely affect our business, financial condition and results of operations.

27. **There have been instances of delays in the past with certain statutory authorities with certain provision of statutory regulations applicable to us. If the authorities impose monetary penalties on us or take certain punitive actions against our Company in relation to the same, our business, financial condition and results of operations could be adversely affected.**

In the past, there have been some instances of delays in filings with certain statutory authorities (RoC) with certain provision of statutory regulations applicable to us such as delay in filing, which have been subsequently filed along with payment of additional fees namely Form ADT-1 with respect to Appointment of Statutory Auditor for the FY 2015-2016, 2016-2021, 2019-2021, 2021-2026, Form DIR-12 with respect to Resignation of one of our Director Mr. Manoj Sharma and Form DIR-12 with respect to Cessation of Mr. Vinay Agarwal filed in order to remove duplicate entry as Additional Director appearing on the Master Data and Signatory Details section on MCA Website.

Mr. Hemant Dharnidharka was appointed as the Director on November 12, 2015. However, due to clerical error got resigned. Hence, was appointed as the Additional Director from the date of his erroneous resignation i.e. August 08, 2022. The Consent of Shareholders was obtained for his appointment at the Extra-Ordinary Meeting held on August 10, 2022 and also designated him as the Managing Director of the Company. There also have been some instances of delays in fillings with statutory authority (RoC)



with certain provision of statutory regulations applicable to our Subsidiary Company, which have been subsequently filed along with payment of additional fees namely Form MGT-6 & Form BEN-2 with respect to declaration of Significant Beneficial Ownership under Section 89 & 90 of Companies Act, 2013. While no legal proceedings or regulatory action has been initiated against our Company in relation to such non-compliance or acts ultravires to the MoA of the Company or instances of non-filings or incorrect filings or delays in filing statutory forms with the RoC as of the date of this Draft Prospectus, we cannot assure you that such legal proceedings or regulatory actions will not be initiated against our Company in future and we cannot assure you that we will not be subject to penalties imposed by regulatory authorities in this respect. Therefore, if the authorities impose monetary penalties on us or take certain punitive actions against our Company in relation to the same, our business, financial condition and results of operations could be adversely affected.

**28. We may require additional equity or debt in the future in order to continue to grow our business, which may not be available on favorable terms or at all**

Our strategy to grow our business may require us to raise additional funds for our working capital or long-term business plans. We cannot assure you that such funds will be available on favorable terms or at all. Additional debt financing may increase our financing costs. Our financing agreements may contain terms and conditions that may restrict our ability to operate and manage our business, such as terms and conditions that require us to maintain certain pre-set debt service coverage ratios and leverage ratios and require us to use our assets, including our cash balances, as collateral for our indebtedness. If we are unable to raise additional funds on favorable terms or at all as and when required, our business, financial condition, results of operations, cash flows and prospects could be adversely affected.

**29. In the event there is any delay in the completion of the Issue, there would be a corresponding delay in the completion of the objects / schedule of implementation of this Issue which would in turn affect our revenues and results of operations.**

The funds that we receive would be utilized for the Objects of the Issue as has been stated in the Chapter “Objects of the Issue” beginning on page 100 of this Draft Prospectus. The proposed schedule of implementation of the objects of the Issue is based on our management’s estimates. If the schedule of implementation is delayed for any other reason whatsoever, including any delay in the completion of the Issue, we may have to revise our business and development plans resulting in unprecedented financial mismatch and this may adversely affect our revenues and results of operations.

**30. Our Registered Office is not owned by us. In the event we lose such rights, our business, financial condition and results of operations and cash flows could be adversely affected**

Our registered office situated at Bangalore, India is not owned by us and is taken on lease basis from Mr. Vijay Bhandari, s/o Satpal Bhandari, (PAN: AHHPB4037E) & Mrs. Neeru Kochar Bhandari, w/o Vijay Bhandari, (PAN: AHHPB4038M) for a period of 24 months commencing from April 01, 2022 and expiring on March 31, 2024.

Further, we cannot assure you that we will be able to continue the above arrangement on commercially acceptable / favorable terms in future. For further details, see section “Our Business” beginning on page 127 of this Draft Prospectus.

If we are required to vacate the current premises’, we would be required to make alternative arrangements for new offices and other infrastructure, and we cannot assure that the new arrangements will be on commercially acceptable/favorable terms. If we are required to relocate our business operations during this period, we may suffer a disruption in our operations or have to pay higher charges, which could have an adverse effect on our business, prospects, results of operations and financial condition.

**31. Our major source of revenue comes from technical consultancy and outsourcing business, any reduction in the revenue from this source could adversely impact our topline in the financials**

Our technical consultancy and outsourcing vertical brings major revenue which has extremely low margins. Technical and outsourcing business has contributed ₹ 129.3 millions in FY2022 which is 88.06% of total revenue from operations. In case, there is any reduction in the revenue from this vertical, the revenue from operations of the company might be impacted with or without impacting overall financials.

**32. Our Promoter and Promoter Group will continue to retain significant control in our Company, which will allow them to influence the outcome of matters submitted to shareholders for approval**

As of the date of this Draft Prospectus, our Promoter and Promoter Group hold 100% of pre-Issue share capital of our Company. Furthermore, after the completion of this Issue, our Promoter and Promoter Group will control, directly or indirectly our Company and continue to hold substantial percentage of the issued and paid-up equity share capital of our Company. As a result, our Promoter and Promoter Group will continue to exercise significant control over us, including being able to control the composition of our Board and determine decisions requiring simple or special majority voting of shareholders, and our other shareholders may be unable to affect the outcome of such voting. Our Promoter and Promoter Group may take or block actions with respect to our business which may conflict with the best interests of our Company or that of minority shareholders. We cannot assure you that our Promoter and Promoter Group will exercise their rights as shareholders to the benefit and best interest of our Company.

**33. Industry information included in this Draft Prospectus has been derived from certain industry reports and internal research. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate.**

We have relied on the reports of certain independent third party as well as internal research for the purposes of inclusion of such information in this Draft 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 Prospectus

**34. The deployment of funds raised through this Issue shall not be subject to any Monitoring Agency and shall be purely dependent on the discretion of the management of our Company.**

Since the issue size is less than ₹10,000 Lakhs, there is no mandatory requirement of appointing an Independent Monitoring Agency for overseeing the deployment or utilization of funds raised through this Issue. The deployment of these funds raised through this Issue, is hence, at the discretion of the management and the Board of Directors of our Company and will not be subject to monitoring by any independent agency. Any inability on our part to effectively utilize the Issue proceeds could adversely affect our financials.

**35. Our ability to pay dividends in the future will depend on our future cash flows, working capital requirements, capital expenditures and financial condition**

The amount of our future dividend payments, if any, will be at the sole discretion of our Board of Directors and will depend on our future earnings, cash flows, financial condition, working capital requirements, capital expenditures, applicable Indian legal restrictions and other factors. There can be no assurance that we will pay dividends. We may decide to retain all of our earnings to finance the development and expansion of our business and, therefore, may not declare dividends on our Equity Shares.

Additionally, in the future, we may be restricted by the terms of our financing agreements in making dividend payments unless otherwise agreed with our lenders. Our historical payment of dividends is not indicative of any payments of dividends in the future. We may be unable to pay dividends in the near or medium term and our future dividend policy will depend on our capital requirements, financial condition and results of operations. For further details, see “Dividend Policy” on page 179.

**36. We do not have any insurance coverage for protecting us against any of our assets**

As on the date of this Draft Prospectus, our Company has not taken any insurance policies in relation to any assets except for motor vehicle. In the event of any uncertain

events our business and other assets could suffer damage from fire, natural calamities, misappropriation or other causes, resulting in losses, which will not be compensated by insurance. There can be no assurance that in the event of any hazards, whether we will be able to sustain our operations again within reasonable time frame.

If our Company suffers a large loss, we may be required to make certain payments and our results of operations and financial condition may be adversely affected. Further, if we are to obtain fresh insurance, we have to incur costs not yet provided for in our financials. Also, we cannot guarantee that we will be able to identify an insurance policy suitable to our needs within a reasonable premium. If we buy new policies, we may have to put a strain on our existing cash flows and thus affect our results of operation and financial condition.

**37. One of our business activities are subject to the recently introduced regulation i.e. Karnataka RERA, a comparatively recent legislation which may require more time and cost to comply with. Inability to comply with the provisions of Karnataka RERA may subject us to penal consequences there under**

The Government notified the RERA in the official gazette on March 25, 2016. The RERA has been introduced to regulate the real estate industry and to ensure, among others, imposition of certain responsibilities on real estate developers and accountability toward customers and protection of their interest.

Any failure to comply with the requirements of RERA in the future may subject us to penalties and/or imprisonment. In addition, we will have to comply with state-specific rules and regulations which may be enacted and / or amended by the state government where our operations may be located. To ensure compliance with the requirements of the RERA, we may need to allocate additional resources, which may increase our regulatory compliance costs and divert management attention. Further, we may face challenges in interpreting and complying with the provisions of the RERA due to limited jurisprudence on them. In the event our interpretation of provisions of the RERA differs from, or contradicts with, any judicial pronouncements or clarifications issued by the Government in the future, we may face regulatory actions or we may be required to undertake remedial steps. Any non-compliance of the provisions of RERA or such state-specific legislations may result in punishments (including fines or imprisonment) and revocation of registration of our future projects, which may have an adverse effect on our business, operations and financial condition.

**38. We have not identified any alternate source of raising the funds required for our 'Objects of the Issue'. Any shortfall in raising / meeting the same could adversely affect our growth plans, operations and financial performance**

Our Company has 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 can adversely affect our growth plan and profitability. The delay/shortfall in receiving these proceeds may require us to borrow the funds on unfavorable terms; such scenarios may affect the business operation and financial performance of the company.

**39. The average cost of acquisition of Equity Shares by our Promoter could be lower than the price determined at time of registering the Draft Prospectus**

Our Promoter's average cost of acquisition of Equity Shares in our Company may be lower than the Price as may be decided by the Company in consultation with the LM. For further details regarding average cost of acquisition of Equity Shares by our Promoter in our Company and build-up of Equity Shares by our Promoter in our Company, please refer chapter title "Capital Structure" beginning on page 78 of this Draft Prospectus.

**40. Our Company had negative cash flows in the past years, details of which are given below. Sustained negative cash flow could impact our growth and business**

As per our Restated Financial Information, our cash flows from operating, investing and financing activities are as set out below:

(in Lakhs)

Particulars	For the fiscal year ended on		
	2022	2021	2020
Net cashflow generated from Operating activities	84.80	25.36	1.74
Net Cash Generated from Investing Activities	(111.27)	(12.36)	(0.84)
Net Cash Generated from Financing Activities	109.65	(13.13)	(3.04)

Cash flow of a company is a key indicator to show the extent of cash generated from operations to meet capital expenditure, pay dividends, repay loans and make new investments without raising finance from external resources.

If our Company is not able to generate sufficient cash flows, it may adversely affect our business and financial operations.

For details, please see chapter titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on page 218 of this Draft Prospectus.

**41. In the event there is any delay in the completion of the Issue, there would be a corresponding delay in the completion of the objects / schedule of implementation of this Issue which would in turn affect our revenues and results of operations.**

The funds that we receive would be utilized for the Objects of the Issue as has been stated in the Chapter "Objects of the Issue" beginning on page 100 of this Draft Prospectus. The proposed schedule of implementation of the objects of the Issue is based on our management's estimates. If the schedule of implementation is delayed for any other reason whatsoever, including any delay in the completion of the Issue, we may have to revise our business and development plans resulting in unprecedented financial mismatch and this may adversely affect our revenues and results of operations.



**42. In addition to normal remuneration, other benefits and reimbursement of expenses some of our directors (including our Promoter) are interested in our Company to the extent of their shareholding and dividend entitlement in our Company.**

Some of our Directors (including our Promoter) are interested in our Company to the extent of their shareholding and dividend entitlement in our Company, in addition to normal remuneration or benefits and reimbursement of expenses. We cannot assure you that our Directors would always exercise their rights as shareholders to the benefit and best interest of our Company. For further information, see the chapters titled “*Our Management*” and “*Our Promoter and Promoter Group*” beginning on page 149 and 173 respectively of this Draft Prospectus and the section titled “Restated Financial Information” beginning on page 181 of this Draft Prospectus.

## **EXTERNAL RISK FACTORS**

**43. Our operations are dependent on the performance of the Indian economy and securities market**

The growth in our business has been directly related to the growth in the Indian economy, including the growing household savings. There have been periods of slowdown in the economic growth of India or periods where inflation was high. Such economic growth is affected by various factors including domestic consumption and savings, balance of trade movements, namely export demand and movements in key imports (oil and oil products), global economic uncertainty and liquidity crisis, volatility in exchange currency rates, and annual rainfall, which affects agricultural production. Any slowdown or reversal in the growth of the Indian economy could result in an adverse effect on overall business cycles. Any such reductions could result in a reduction in our AUM and /or the commissions from other products including real estate brokerage we can receive for our services.

Additionally, an increase in India’s trade deficit, any adverse revisions to India’s credit ratings for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing may be 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 our Equity Shares.

**44. Political, economic or other factors that are beyond our control may have an adverse effect on our business and results of operations**

The Indian economy and its securities markets are influenced by economic developments and volatility in securities markets in other countries. Investors’ reactions to developments in one country may have adverse effects on the market price of securities of companies located elsewhere, including India. Adverse economic developments, such as rising fiscal or trade deficit, in other emerging market countries may also affect investor confidence and cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general. Any of these factors could depress economic activity and restrict our access to capital, which could have an adverse effect on our business, financial condition and results of operations and reduce the price



of our Equity Shares. Any financial disruption could have an adverse effect on our business, future financial performance, shareholders' equity, and the price of our Equity Shares.

We are dependent on domestic, regional and global economic and market conditions. Our performance, growth and market price of our Equity Shares are and will be dependent to a large extent on the health of the economy in which we operate. There have been periods of slowdown in the economic growth of India. Demand for our services may be adversely affected by an economic downturn in domestic, regional and global economies. Economic growth in the countries in which we operate is affected by various factors including domestic consumption and savings, balance of trade movements, namely export demand and movements in key imports, global economic uncertainty and liquidity crisis, volatility in exchange currency rates, and annual rainfall which affects agricultural production. Consequently, any future slowdown in the Indian economy could harm our business, results of operations and financial condition. Also, a change in the government or a change in the economic and deregulation policies could adversely affect economic conditions prevalent in the areas in which we operate in general and our business in particular and high rates of inflation in India could increase our costs without proportionately increasing our revenues, and as such decrease our operating margins.

**45. Natural calamities could have a negative impact on the Indian economy and cause our Company's business to suffer**

India has experienced natural calamities such as earthquakes, tsunamis, floods etc. In recent years, the extent and severity of these natural disasters determine their impact on the Indian economy. Prolonged spells of abnormal rainfall or other natural calamities could have a negative impact on the Indian economy, which could adversely affect our business, prospects, financial condition and results of operations as well as the price of the Equity Shares

**46. Terrorist attacks, civil unrests and other acts of violence or war involving India or other countries could adversely affect the financial markets, our business, financial condition and the price of our Equity Shares**

Any major hostilities involving India or other acts of violence, including civil unrest or similar events that are beyond our control, could have a material adverse effect on India's economy and our business. Incidents such as the terrorist attacks, other incidents such as those in US, Madrid and London, and other acts of violence may adversely affect the Indian stock markets where our Equity Shares will trade as well the global equity markets generally. Such acts could negatively impact business sentiment as well as trade between countries, which could adversely affect our Company's business and profitability. Additionally, such events could have a material adverse effect on the market for securities of Indian companies, including the Equity Shares.

**47. 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. Although economic conditions vary across markets, loss of investor confidence in one emerging economy may cause increased volatility across other economies, including India. Financial instability in other parts of the world could have a global influence and thereby negatively affect the Indian economy. Financial disruptions could materially and adversely affect our business, prospects, financial condition, results of operations and cash flows. Further, economic developments globally can have a significant impact on our principal markets. Concerns related to a trade war between large economies may lead to increased risk aversion and volatility in global capital markets and consequently have an impact on the Indian economy. Following the United Kingdom's exit from the European Union ("Brexit"), there remains significant uncertainty as to the impact of Brexit on the general economic conditions in the United Kingdom and the European Union and any consequential impact on global financial markets.

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. In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, implemented a number of policy measures designed to add stability to the financial markets. However, the overall long-term effect of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have the intended stabilizing effects. Any significant financial disruption could have a material adverse effect on our business, financial condition and results of operation. These developments, or the perception that any of them could occur, have had and may continue to have a material adverse effect on global economic conditions and the stability of global financial markets and may significantly reduce global market liquidity, restrict the ability of key market participants to operate in certain financial markets or restrict our access to capital.

This could have a material adverse effect on our business, financial condition and results of operations and reduce the price of the Equity Shares.

**48. If there is any change in laws or regulations, including taxation laws, or their interpretation, such changes may significantly affect our financial statements**

The application of various Indian tax laws, rules and regulations to our business, currently or in the future, is subject to interpretation by the applicable taxation authorities. If such tax laws, rules and regulations are amended, new adverse laws, rules or regulations are adopted or current laws are interpreted adversely to our interests, the

results could increase our tax payments (prospectively or retrospectively) and/or subject us to penalties. Further, adverse changes in capital gains tax or tax on capital market transactions or sale of securities or any adverse change in taxation of real estate or other financial products distributed by us, could affect investor returns or the acceptability of any particular product. As a result, any such changes or interpretations could have an adverse effect on our business and financial performance.

Further, the Government of India has implemented a comprehensive national GST regime that combines taxes and levies by the central and state governments into a largely unified rate structure. Any such future increases in the GST rates or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable.

Our Company cannot predict whether any tax laws or other regulations impacting it will be enacted or predict the nature and impact of any such laws or regulations or whether, if at all, any laws or regulations would have a material adverse effect on the Company's business, financial condition and results of operations.

In addition, unfavourable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations including foreign investment laws governing our business, operations and group structure could result in us being deemed to be in contravention of such laws or may require us to apply for additional approvals. We may incur increased costs relating to compliance with such new requirements, which may also require management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, 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 affect the viability of our current business or restrict our ability to grow our business in the future.

We cannot predict whether any new tax laws or regulations impacting our services will be enacted, what the nature and impact of the specific terms of any such laws or regulations will be or whether, if at all, any laws or regulations would have an adverse effect on our business.

**49. High levels of inflation in the Indian economy may shift the trend of savings and investments adversely**

Inflation rates in India have been volatile in recent years, and such volatility may continue. India has experienced high inflation in the recent past. Increasing inflation in India could cause a rise in the costs of rent, wages, raw materials and other expenses. High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in inflation in India can increase our expenses, which we may not be able to adequately pass on to our clients since we are operating in service industry, and may adversely affect our business and financial condition. 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. Further, the GoI has previously initiated economic measures to combat high inflation rates, and it is unclear whether these measures will remain in effect. There can be no assurance that Indian inflation levels will not worsen in the future.

**50. Investors may not be able to enforce a judgment of a foreign court against us**

Our Company is a company incorporated under the laws of India. All of our Company's Directors and officers are residents of India and all of our assets and such persons are located in India. As a result, it may not be possible for investors to effect service of process upon our Company or such persons in jurisdictions outside India, or to enforce judgments obtained against such parties outside India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if that court was of the view that the amount of damages awarded was excessive or inconsistent with public policy, or if judgments are in breach or contrary to Indian law. In addition, a party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to execute such a judgment or to repatriate outside India any amounts recovered.

Recognition and enforcement of foreign judgments is provided for under Section 13, Section 14 and Section 44A of the Code of Civil Procedure, 1908 ("CPC"). India has reciprocal recognition and enforcement of judgments in civil and commercial matters with only a limited number of jurisdictions, such as the United Kingdom, Singapore, Hong Kong and the United Arab Emirates. In order to be enforceable, a judgment from a jurisdiction with reciprocity must meet certain requirements established in the CPC. The CPC only permits the enforcement and execution of monetary decrees in the reciprocating jurisdiction, not being in the nature of any amounts payable in respect of taxes, other charges, fines or penalties. Judgments or decrees from jurisdictions which do not have reciprocal recognition with India, including the United States, cannot be enforced by proceedings in execution in India. Therefore, a final judgment for the payment of money rendered by any court in a non-reciprocating territory for civil liability, whether or not predicated solely upon the general laws of the non-reciprocating territory, would not be directly enforceable in India. The party in whose favour a final foreign judgment in a non-reciprocating territory is rendered may bring a fresh suit in a competent court in India based on the final judgment within three years of obtaining such final judgment. However, 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 or that an Indian court would enforce foreign judgments if it viewed the amount of damages as excessive or inconsistent with the public policy in India.

**ISSUE RELATED RISKS**

**51. An investment in the Equity Shares is subject to general risk related to investments in Indian Companies**

Our Company is incorporated in India and all of our assets and employees are located in India. Consequently, our business, results of operations, financial condition and the market price of the Equity Shares will be affected by changes in interest rates in India,

policies of the Government of India, including taxation policies along with policies relating to industry, political, social and economic developments affecting India.

**52. The Offer Price of the Equity Shares may not be indicative of the market price of the Equity Shares after the Offer**

The Issue Price of the Equity Shares will be determined by our Company in consultation with the Lead Manager, and through Fixed Price Process. This price will be based on numerous factors, as described under “Basis for Issue Price” beginning on page 107 of this Draft Prospectus and may not be indicative of the market price for the Equity Shares after the Issue. The market price of the Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price. We cannot assure you that the investor will be able to resell their Equity Shares at or above the Issue Price.

**53. The Equity Shares have never been publicly traded and the Offer may not result in an active or liquid market for the Equity Shares. Further, the price of the Equity Shares may be volatile, and the investors may be unable to resell the Equity Shares at or above the Offer Price, or at all**

Prior to the Offer, 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 Offer. 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 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 and volatility in the Stock Exchanges and securities markets elsewhere in the world.

**54. There is no guarantee that the Equity Shares issued pursuant to the Issue will be listed on the BSE SME in a timely manner or at all**

In accordance with Indian law and practice, permission for listing and trading of the Equity Shares issued pursuant to the Issue will not be granted until after the Equity Shares have been issued and allotted. Approval for listing and trading will require all relevant documents authorizing the issuing of Equity Shares to be submitted. There could be a failure or delay in listing the Equity Shares on the BSE SME. Any failure or delay in obtaining the approval would restrict your ability to dispose of your Equity Shares. Any future issuance of Equity Shares may dilute your shareholding and sale of our Equity Shares by our Promoter or other shareholders may adversely affect the trading price of the Equity Shares.

**55. Any future equity issuances by us, including in a primary offering, may lead to the dilution of investors’ shareholdings in our Company.**

Any future equity issuances by us or sales of our Equity Shares by our Promoter or other major shareholders may adversely affect the trading price of the Equity Shares. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of our Equity Shares.



**56. There are restrictions on daily weekly monthly movement in the price of the equity shares, which may adversely affect the shareholder's ability to sell for the price at which it can sell, equity shares at a particular point in time**

Once listed, we would be subject to circuit breakers imposed by the stock exchange, which does not allow transactions beyond specified increases or decreases in the price of the Equity Shares. This circuit breaker operates independently of the index-based market-wide circuit breakers generally imposed by SEBI. The percentage limit on circuit breakers is said by the stock exchange based on the historical volatility in the price and trading volume of the Equity Shares. The stock exchange does not inform us of the percentage limit of the circuit breaker in effect from time to time, and may change it without our knowledge. This circuit breaker limits the upward and downward movements in the price of the Equity Shares. As a result of the circuit breaker, no assurance may be given regarding your ability to sell your Equity Shares or the price at which you may be able to sell your Equity Shares at any particular time.

**57. Investors may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares**

Under Indian tax laws, capital gains arising from the sale of equity shares within 12 months in an Indian company are classified as short-term capital gains and generally taxable. Any gain realized on the sale of listed equity shares on a stock exchange that are held for more than 12 months is considered as long-term capital gains and is taxable at 10%, in excess of Rs. 1,00,000. Any gain realized on the sale of shares held for more than 12 months to an Indian resident, which are sold other than on a recognized Stock Exchange and as a result of which no STT has been paid, will be subject to long term capital gains tax in India. Further, any gain realized on the sale of shares on a Stock Exchange held for a period of 12 months or less will be subject to short term capital gains tax. Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less which are sold other than on a recognized stock exchange and on which no STT has been paid, will be subject to short term capital gains tax at a relatively higher rate as compared to the transaction where STT has been paid in India.

In Finance Bill 2017, Section 10(38) was amended to provide that exemption under this section for income arising on transfer of equity share acquired on or after 1st day of October, 2004 shall be available only if the acquisition of share is chargeable to STT under Chapter VII of the Finance (No 2) Act, 2004. In this case, this provision becomes effective, sale shares acquired on or after 1st day of October, 2004 on which STT was not charged will attract tax under provisions of Long-Term Capital Gains.

As per Finance Bill 2018, exemption under section 10(38) for income arising from long term gains on transfer of equity share shall not be available on or after 1st day of April, 2018 if the long-term capital gains exceed ₹1,00,000/- p.a. Such income arising from long term gains on transfer of equity share on or after 1st day of April, 2018 in excess of ₹1,00,000/- p.a. shall be chargeable at the rate of 10%.



Capital gains arising from the sale of shares will be exempt from taxation in India in cases where an exemption is provided under a tax treaty between India and the country of which the seller is a resident.

Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdictions on gains arising from a sale of the shares subject to relief available under the applicable tax treaty or under the laws of their own jurisdiction.

**58. The price of our Equity Shares may be volatile, or an active trading market for our Equity Shares may not develop**

Prior to this Issue, there has been no public market for our Equity Shares. Our Company and the Lead Manager have appointed Market Maker for the equity shares of our Company. However, the trading price of our Equity Shares may fluctuate after this Issue due to a variety of factors, including our results of operations and the performance of our business, competitive conditions, general economic, political and social factors, the performance of the Indian and global economy and significant developments in India's fiscal regime, volatility in the Indian and global securities market, performance of our competitors, the Indian Capital Markets and Finance industry, changes in the estimates of our performance or recommendations by financial analysts and announcements by us or others regarding contracts, acquisitions, strategic partnership, joint ventures, or capital commitments.

**59. Significant differences exist between Indian GAAP and other accounting principles, such as US GAAP and IFRS, which may be material to investors assessments of Our Company's financial condition. Our failure to successfully adopt IFRS may have an adverse effect on the price of our Equity Shares. The proposed adoption of IFRS could result in our financial condition and results of operations appearing materially different than under Indian GAAP.**

Our restated financial statements, including the financial statements provided in this Draft Prospectus, are prepared in accordance with IndAS. We have not attempted to quantify the impact of IndAS on the financial data included in this Draft Prospectus, nor do we provide a reconciliation of our financial statements to those of Indian. GAAP. For details, refer chapter titled "Presentation of Financial Industry and Market Data" beginning on page 20 of this Draft Prospectus.

Accordingly, the degree to which the IndAS financial statements included in this Draft Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices.

Any reliance by persons not familiar with IndAS accounting practices on the financial disclosures presented in this Draft Prospectus should accordingly be limited.

**60. Foreign investors are subject to foreign investment restrictions under Indian law that limits our ability to attract foreign investors, which may adversely impact the market price of the Equity Shares**

Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or fall under any of the exceptions referred to above, then the prior approval of the RBI will be required. Additionally, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection/ tax clearance certificate from the income tax authority. There can be no assurance that any approval required from the RBI or any other government agency can be obtained on any particular terms or at all.

## SECTION IV – INTRODUCTION

### THE ISSUE

<b>Equity Shares Issued <sup>(1)</sup>: Present Issue of Equity Shares by our Company <sup>(2)</sup></b>	Up to 55,00,000 Equity Shares of face value of ₹1/- each fully paid for cash at a price of ₹ [●] per Equity Share aggregating ₹ [●] Lakhs
<b>Of which:</b>	
<b>Issue Reserved for the Market Maker</b>	Up to [●] Equity Shares of face value of ₹1/- each fully-paid up for cash at a price of ₹ [●] per Equity Share aggregating ₹ [●] Lakhs
<b>Net Issue to Public</b>	Up to [●] Equity Shares of face value of ₹1/- each fully paid for cash at a price of ₹ [●] per Equity Share aggregating ₹ [●] Lakhs
	Of which <sup>(3)</sup> :
	Up to [●] Equity Shares of having face value of ₹1/- each fully paid-up for cash at a price of ₹ [●] per Equity Share will be available for allocation for Investors of up to ₹2.00 Lakhs
	Up to [●] Equity Shares of having face value of ₹1/- each fully paid-up for cash at a price of ₹ [●] per Equity Share will be available for allocation for Investors of above ₹2.00 Lakhs
<b>Equity shares outstanding prior to the Issue</b>	1,50,00,000 Equity Shares of face value of ₹1/- each fully paid-up
<b>Equity shares outstanding after the Issue</b>	Up to 2,05,00,000 Equity Shares of face value of ₹1/- each fully paid-up
<b>Use of Net Proceeds</b>	Please refer to the chapter titled “ <i>Objects of the Issue</i> ” beginning on page 100 of this Draft Prospectus

- (1) This Issue is being made in terms of Chapter IX of the SEBI ICDR Regulations, as amended from time to time.
- (2) The present Issue has been authorized pursuant to a resolution of our Board dated August 08, 2022 and by Special Resolution passed under Section 62(1)(c) of the Companies Act, 2013 at an Extra-Ordinary General Meeting of our Shareholders held on August 10, 2022.
- (3) The allocation in the net Issue to the public category shall be made as per the requirements of Regulation 253(2) of SEBI ICDR Regulations, as amended from time to time, which reads as follows:
  - (a) minimum fifty per cent to Retail Individual Investors; and
  - (b) remaining to:

- i. Individual applicants other than Retail Individual Investors; and
- ii. Other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;

Provided that the unsubscribed portion in either of the categories specified in clauses (a) or (b) may be allocated to applicants in the other category.

Explanation - For the purpose of Regulation 253 (2), if the Retail Individual Investors category is entitled to more than fifty per cent of the issue size on a proportionate basis, the Retail Individual Investors shall be allocated that higher percentage.

For further details please refer to the chapter titled “*Issue Structure*” beginning on page 267 of this Draft Prospectus.

## SUMMARY OF OUR FINANCIALS

### ANNEXURE I RESTATED SUMMARY STATEMENT OF ASSETS & LIABILITIES

(₹ in Lakhs)

	Particulars	Note No.	As at 31.03.2022	As at 31.03.2021	As at 31.03.2020
	1	2	3	4	5
	<b>ASSETS</b>				
1	<b>Non-Current Assets</b>				
	(a) Property, Plant and Equipment	2	11.17	15.85	7.62
	(b) Capital Work-in-Progress	2	0.00	0.00	0.00
	(c) Financial Assets				
	(i) Investments	3	115.20	0.00	0.00
	(d) Deferred Tax Assets (Net)	4	1.85	1.38	1.25
	(e) Other Non-Current Assets	5	0.00	0.61	0.00
2	<b>Current Assets</b>				
	(a) Inventories		0.00	0.00	0.00
	(b) Financial Assets				
	(i) Trade Receivables	6	20.22	0.00	1.20
	(ii) Cash and Cash Equivalents	7	83.63	0.45	0.57
	(c) Current Tax Assets (Net)	8	1.53	1.20	0.28
	(d) Other Current Assets	9	11.64	5.86	8.24
	<b>Total Assets</b>		<b>245.24</b>	<b>25.35</b>	<b>19.16</b>
	<b>EQUITY AND LIABILITIES</b>				
1	<b>Equity</b>				
	(a) Equity Share Capital	10	150.00	1.00	1.00
	(b) Other Equity	11	76.74	10.16	-5.10
	<b>Liabilities</b>				
2	<b>Non-Current Liabilities</b>				
	(a) Financial Liabilities				
	(i) Borrowings	12	0.00	9.35	22.48
2	<b>Current Liabilities</b>				
	(a) Financial Liabilities				
	(i) Trade Payables	13	0.43	0.93	0.30
	(b) Other current liabilities	14	17.32	3.74	0.38
	(c) Provisions	15	0.50	0.09	0.10
	(d) Current Tax Liabilities (Net)	16	0.25	0.08	0.00
	<b>Total Equity and Liabilities</b>		<b>245.24</b>	<b>25.35</b>	<b>19.16</b>

**ANNEXURE II**  
**RESTATED SUMMARY STATEMENT OF PROFIT & LOSS**

(₹ in Lakhs)

	Particulars	Note No.	For the Year ended 31.03.2022	For the Year ended 31.03.2021	For the Year ended 31.03.2020
I	Revenue From Operations	17	1,465.28	255.41	19.78
II	Other Income	18	4.12	0.00	0.09
III	Total Income (I+II)		<b>1,469.40</b>	<b>255.41</b>	<b>19.87</b>
IV	<b>EXPENSES</b>				
	Cost of Materials Consumed		0.00	0.00	0.00
	Employee Benefits Expense	19	0.37	0.00	0.00
	Finance Costs	20	0.01	0.01	0.02
	Depreciation and Amortization Expense	1	5.46	2.36	3.49
	Other Expenses	21	1,334.69	233.51	15.32
	<b>Total Expenses (IV)</b>		<b>1,340.53</b>	<b>235.88</b>	<b>18.83</b>
V	Profit/(Loss) Before Tax (III-IV)		128.87	19.53	1.04
	<b>Tax Expense:</b>				
	(1) Current Tax		32.76	4.40	0.16
VI	(2) Deferred Tax		-0.47	-0.13	-0.30
	(3) Tax of Earlier Years				
	(4) MAT Credit Entitlement		0.00	0.00	-0.16
VII	Profit (Loss) for the Period (V-VI)		96.58	15.26	1.34
	<b>Other Comprehensive Income</b>				
	(i) Items that will not be reclassified to Profit/Loss				
	-Additional Depreciation due to change in estimate		0.00	0.00	0.00
VIII	(ii) Income tax relating to above				
	-Deferred Tax on above		0.00	0.00	0.00
	(i) Items that will be reclassified to Profit/Loss		0.00	0.00	0.00
	(ii) Income tax relating to above		0.00	0.00	0.00
IX	Other Comprehensive Income for the Period		-	-	-
X	Total Comprehensive Income for the Period (VII+IX)		96.58	15.26	1.34
	Earnings per Equity Share				
X	(1) Basic	21	3.66	15.26	1.34
	(2) Diluted		3.66	15.26	1.34



### ANNEXURE III

#### STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in Lakhs)

	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>A</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
	Net Profit/(loss) Before Tax	128.87	19.53	1.04
	Adjustments for:			
	Depreciation	5.46	3.52	3.54
	Interest & Finance Charges			
	<b>Less: Non operating Income</b>			
	Dividend Received	0.33	0.00	0.00
	Interest Received	3.54	0.00	0.00
	Other non operating income	0.23	0.00	0.00
	<b>Operating Profit before Working Capital Changes</b>	<b>130.23</b>	<b>23.05</b>	<b>4.58</b>
	<b>Adjustments for:</b>			
	Decrease/(Increase) in Receivables	(20.22)	1.20	(0.11)
	Decrease/(Increase) in Short term Advances			
	Decrease/(Increase) in Current Tax Assets	(34.22)	(2.78)	(1.86)
	Decrease/(Increase) in Inventories	0.00	0.00	0.00
	Increase/(Decrease) in Short term Borrowings	0.00	0.00	0.00
	Increase/(Decrease) in Payables	(0.50)	0.63	0.30
	Increase/(Decrease) in other current liabilities	13.58	3.36	(0.88)
	Increase/(Decrease) in long term provisions	0.00	0.00	0.00
	Increase/(Decrease) in short term provisions	(4.07)	(0.10)	(0.45)
	<b>Cash generated from operations</b>	<b>84.80</b>	<b>25.36</b>	<b>1.58</b>
	Income Tax paid			0.16
	<b>Net Cash flow from Operating activities</b>	<b>84.80</b>	<b>25.36</b>	<b>1.74</b>
<b>B</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
	Purchase of Fixed Assets(Including amount Spent on Capital Work-In-Progress)	(0.78)	(11.75)	(0.84)
	Decrease/(Increase) in Investments	(115.20)	0.00	0.00
	Decrease/(Increase) other non-current assets	0.61	(0.61)	0.00
	Add: Dividend Received	0.33	0.00	0.00
	Add: Interest Received	3.54	0.00	0.00
	Add: Other non operating income	0.23	0.00	0.00
	<b>Net Cash used in Investing activities</b>	<b>(111.27)</b>	<b>(12.36)</b>	<b>(0.84)</b>

<b>C</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
	Increase\ (Decrease) in Long term Borrowings	(9.35)	(13.13)	(3.04)
	Increase in Share Capital	119.00	0.00	0.00
	Interest paid	0.00	0.00	0.00
	<b>Net Cash used in financing activities</b>	<b>109.65</b>	<b>(13.13)</b>	<b>(3.04)</b>
	<b>Net change in cash &amp; Cash Equivalents(A+B+C)</b>	<b>82.18</b>	<b>(0.13)</b>	<b>(2.14)</b>
	Cash and Cash equivalents at Beginning of the year	0.45	0.57	2.70
	Cash and Cash equivalents at the end of the year	82.96	0.45	0.57
	<b>Net change in cash &amp; Cash Equivalents</b>	<b>82.51</b>	<b>-0.12</b>	<b>-2.13</b>

## GENERAL INFORMATION

Our Company was incorporated as ‘Dharni Online Services Private Limited’ on November 12, 2015 as a private limited company under the Companies Act, 2013 with the Registrar of Companies, Bangalore, Karnataka. Further, the name of our Company was changed to “Dharni Capital Services Private Limited” vide Certificate of Incorporation pursuant to change of name dated 28.03.2022 issued by Registrar of Companies, Bangalore. Subsequently, pursuant to a special resolution passed by our shareholders in the extra-ordinary general meeting held on 26.04.2022, our Company was converted from a private limited company to public limited company and consequently, the name of our Company was changed to ‘Dharni Capital Services Limited’, and a fresh certificate of incorporation dated 17.05.2022 was issued to our Company by the Registrar of Companies, Bangalore. The corporate identification number of our Company is U74120KA2015PLC084050.

For details in relation to the incorporation, Registered Office and other details, please refer to the chapter titled “History and Certain Other Corporate Matters” beginning on page 142 of this Draft Prospectus.

<b>BRIEF COMPANY AND ISSUE INFORMATION</b>	
<b>Registration Number</b>	084050
<b>Corporate Identification Number</b>	U74120KA2015PLC084050
<b>Address of Registered Office</b>	226, Brigade Metropolis Arcade, Whitefield Main Road, Garudacharpalya, Bangalore 560048, Karnataka, India Telephone: +91 9945164270 E-mail: <a href="mailto:info@dharnigroup.com">info@dharnigroup.com</a> Website: <a href="http://www.dharnicapital.com">http://www.dharnicapital.com</a>
<b>Address of Registrar of Companies</b>	<b>Registrar of Companies, Bangalore</b> E Wing, 2nd Floor, Kendriya Sadan, Kormangala, Bangalore, Karnataka 560034 Tel No: 080-25633105 (Direct), 080-25537449/25633104 080-25538531 Email: <a href="mailto:roc.bangalore@mca.gov.in">roc.bangalore@mca.gov.in</a>
<b>Designated Stock Exchange</b>	BSE Limited (SME Platform of BSE Limited) P J Towers, Dalal Street, Fort, Mumbai 400 001, Maharashtra, India. Tel No: 022 – 2272 1233/4 Website: <a href="http://www.bsesme.com">www.bsesme.com</a>
<b>Issue Programme</b>	Issue Opens on: [●]  Issue Closes on: [●]
<b>Chief Financial Officer</b>	<b>Pramod Dharnidharka</b> 226, Brigade Metropolis Arcade, Whitefield Main Road, Garudacharpalya, Bangalore 560 048, Karnataka, India Telephone: +91 7760910051 E-mail: <a href="mailto:pramod.dharnidharka@dharnigroup.com">pramod.dharnidharka@dharnigroup.com</a>
<b>Company Secretary and Compliance Officer</b>	<b>Mayank Mundhra</b> 226, Brigade Metropolis Arcade, Whitefield Main Road,

	Garudacharpalya, Bangalore 560 048, Karnataka, India Telephone: +91 80 4952 6711 E-mail: <a href="mailto:cs@dharnigroup.com">cs@dharnigroup.com</a>
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## BOARD OF DIRECTORS OF OUR COMPANY

Set forth below are the details of our Board of Directors as on the date of this Draft Prospectus:

Sr. No.	Name	Designation	DIN	Address
1.	Hemant Dharnidharka	Managing Director	07190229	15064, Prestige Shantiniketan, Whitefield Main Road, Near ITPL, Bangalore, Karnataka 560048
2.	Preeti Saraogi	Non-Executive Director	07339758	15064, Prestige Shantiniketan, Whitefield Main Road, Near ITPL, Bangalore, Karnataka 560048
3.	Jaideep Mittra	Non-Executive Independent Director	08233924	H21, Old Airport Road, Near Royal Orchid Hotel Diamond District Kodihalli Bangalore North H.A.L II Stage Bangalore -560006
4.	Vinay Agarwal	Non-Executive Independent Director	09630941	Flat No-9DC, 9th Floor, 156C Manicktala Main Road, Kankurgachi, Kolkata, West Bengal-700054

For detailed profile of our Directors, please refer to the chapter titled “*Our Management*” on page 149 of the Draft Prospectus.

## INVESTOR GRIEVANCES

Investors may contact the Company Secretary and Compliance Officer and / or the Registrar to the Issue and / or Lead Manager in case of any Pre-Issue or Post-Issue related problems, such as non-receipt of Letter of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account and non-receipt of funds by electronic mode.

All grievances may be addressed to the Registrar to the Issue with a copy to the relevant Designated Intermediary with whom the Application Form was submitted, giving full details such as Name of the Sole or First Applicant, Application Form Number, Applicant’s DP ID, Client ID, PAN, Address of Applicant, Number of Equity Shares applied for, ASBA Account Number in which the amount equivalent to the Application Amount was blocked or the UPI ID (for Retail Individual Investors who make the payment of Application Amount through the UPI Mechanism), Date of Application Form and the Name and Address of the Relevant Designated Intermediary where the Application was submitted. Further, the Applicant shall enclose the Acknowledgment Slip or the Application Number from the Designated Intermediary in addition to the documents or information mentioned hereinabove.

All grievances relating to Applicants submitted through Registered Brokers may be addressed to the Stock Exchanges with a copy to the Registrar to the Issue.

In terms of SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2018/22 dated February 15, 2018, SEBI circular 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 subject to applicable law, any ASBA Applicant whose Application 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 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 Lead Manager shall compensate the investors at the rate higher of ₹100 or 15% per annum of the application amount.

#### **DETAILS OF KEY INTERMEDIARIES PERTAINING TO THIS ISSUE OF OUR COMPANY**

<b>LEAD MANAGER TO THE ISSUE</b>	<b>LEGAL ADVISORS TO THE ISSUE</b>
<b>Srujan Alpha Capital Advisors LLP</b>  <b>Registered Address:</b> 112A, 1st floor, Arun Bazar, S.V. Road, Beside Bank of India, Malad (West), Mumbai -400 064 <b>Correspondence Address:</b> 824 & 825, Corporate Avenue, Sonawala Rd, opposite Atlanta Centre, Sonawala Industry Estate, Goregaon, Mumbai- 400064 <b>Tel :</b> +91 9820922994 <b>E-mail :</b> <a href="mailto:jinesh@srujanalpha.com">jinesh@srujanalpha.com</a> <b>Website :</b> <a href="http://www.srujanalpha.com">www.srujanalpha.com</a> <b>Contact Person:</b> Mr. Jinesh Doshi <b>SEBI Registration Number:</b> INM000012829	<b>ChirAmrit Legal LLP</b>  <b>Registered Address:</b> 6 <sup>th</sup> Floor, 'Unique Destination', Opp. Times of India, Tonk Road, Gautam Nagar, Gandhi Nagar, Jaipur, Rajasthan 302 015 <b>Tel:</b> +91 141 4044500 <b>Fax:</b> +91 141 4044522 <b>E-mail:</b> <a href="mailto:ritu@chiramritlaw.com">ritu@chiramritlaw.com</a> <b>Contact Person:</b> Ms. Ritu Soni

REGISTRAR TO THE ISSUE		STATUTORY AND PEER REVIEW AUDITOR OF OUR COMPANY	
<b>Cameo Corporate Services Limited</b>  <b>Registered Address:</b> "Subramanian Building", #1, Club House Road, Chennai - 600 002, India <b>Tel:</b> +91-44-40020700, 28460390 <b>Fax:</b> +91-44-28460129 <b>Email:</b> investor@cameoindia.com <b>Contact Person:</b> Mr. R.D. Ramasamy, Director <b>Website:</b> <a href="http://www.cameoindia.com">www.cameoindia.com</a> <b>CIN No.:</b> U67120TN1998PLC041613 <b>SEBI Registration Number:</b> INR000003753		<b>M/s. BSD &amp; CO.</b> Chartered Accountants  <b>Registered Address:</b> A No 14/3,10 <sup>th</sup> ‘C’ Main, Jayanagar 1 <sup>st</sup> Block, Bengaluru – 560 011, India, <b>Tel:</b> 080-2657 7108/ 8108 <b>Email:</b> <a href="mailto:bangalore@bsdgroup.in">bangalore@bsdgroup.in</a> <b>Contact Person:</b> Rishav Saraf <b>Membership No.:</b> 230591 <b>Firm Registration No.:</b> 000312S <b>Peer Review Certificate No.</b> 014450	
BANKERS TO THE COMPANY			
<b>HDFC Bank Limited</b>  <b>Address:</b> Prestige Shantiniketan Branch, Prestige Shantiniketan, Whitefield P.O., Bengaluru – 560066 <b>Contact Person:</b> Sheeba Nair <b>Designation:</b> AVP & Branch Manager <b>Contact No :</b> +91 9916726552 <b>Email:</b> <a href="mailto:Sheeba.Nair@hdfcbank.com">Sheeba.Nair@hdfcbank.com</a> <b>Website:</b> <a href="http://www.hdfcbank.com">www.hdfcbank.com</a>		<b>ICICI Bank Limited</b>  <b>Address:</b> Prestige Shantiniketan Branch, Prestige Shantiniketan, Whitefield Main Road, Bangalore – 560048 <b>Contact Person:</b> Divya KJ <b>Designation:</b> Branch Manager <b>Contact No:</b> +91 9663399055 <b>Email:</b> <a href="mailto:di.j@icicibank.com">di.j@icicibank.com</a> <b>Website:</b> <a href="http://www.icicibank.com">www.icicibank.com</a>	
<b>IDFC Bank Limited</b>  <b>Address:</b> Kadugodi Branch, Sai Ram Arcade, Ground Floor, Bangalore 560067 <b>Contact Person:</b> Jutimala Patwari <b>Designation:</b> Branch Manager- Branch Banking <b>Contact No.:</b> +91 8971077774 <b>Email:</b> <a href="mailto:jutimala.patwari@idfcfirstbank.com">jutimala.patwari@idfcfirstbank.com</a> <b>Website:</b> <a href="http://www.idfcfirstbank.com">www.idfcfirstbank.com</a>		<b>YES BANK</b>  <b>Address:</b> Old Airport Road Bangalore, Unit No. 004, Ground Floor, Old Airport Road, Kodihalli, Bangalore - 560 008 <b>Contact Person:</b> Mahendra Gupta <b>Designation:</b> Cluster Sales Leader (AVP) <b>Contact No:</b> +91 9739014039 <b>Email:</b> <a href="mailto:mahendra.gupta@yesbank.in">mahendra.gupta@yesbank.in</a> <b>Website:</b> <a href="http://www.yesbank.in">www.yesbank.in</a>	
BANKERS TO THE ISSUE/REFUND BANK /SPONSOR BANK			
[.]			



### CHANGES IN AUDITORS DURING LAST THREE FINANCIAL YEARS

Except as mentioned below, there has been no change in the auditors of our Company during the last 3 years:

Sr. No.	Date of Change	From	To	Reason for Change
1.	November 6, 2021	M/s. Parul Jindal & Associates, Chartered Accountants, 2C102, Akme Harmony, ORR, Bellandur, Bangalore – 560048, Karnataka, India Tel: + 91 – 81035 49740 Email: caparuljindal@gmail.com Contact Person: Parul Jindal Membership No.: 428592 Firm Registration No.: 022240C Peer Review No: N.A.	M/s. B S D & CO. Chartered Accountants, A No 14/3, 10 <sup>th</sup> 'C' Main, Jayanagar 1 <sup>st</sup> Block, Bengaluru – 560 011, India, Tel: 080- 2657 7108/ 8108 Email: bangalore@bsdgroup.in Contact Person: Rishav Saraf Membership No.: 230591 Firm Registration No.: 000312S Peer Review No: 014450	Appointed to fill a casual vacancy to fulfill the requirement of appointment of Peer Review Auditor.
2.	March 24, 2021	M/s V G V K & CO, Chartered Accountants, 116/2, 4th Floor, 11th Cross, Malleshwaram, Behind Union Bank of India, Bangalore - 560003, karnataka, India Tel: +91 - 97397-73322 Email:vgvkco@gmail.com Contact Person: Vishal Kabra Membership No.: 306216, Firm Registration No.: 017606S Peer Review No: NA	M/s. Parul Jindal & Associates, Chartered Accountants, 2C102, Akme Harmony, ORR, Bellandur, Bangalore – 560048, Karnataka, India Tel: + 91 – 81035 49740 Email: caparuljindal@gmail.com Contact Person: Parul Jindal Membership No.: 428592 Firm Registration No.: 022240C Peer Review No: N.A.	Causal Vacancy

### SELF-CERTIFIED SYNDICATE BANKS

The list of banks that have been notified by SEBI to act as SCSBs for the ASBA process is provided at the website of the SEBI: <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> and updated from time to time. For details on Designated Branches of SCSBs collecting the Application Forms, refer to the website of the SEBI: <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>.

In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, Retail Individual Investors Applying using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>) and (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43>) respectively, as updated from time to time.

#### **INVESTORS BANKS OR ISSUER BANKS FOR UPI**

In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, Retail Individual Investors Applying using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>) and updated from time to time. A list of SCSBs and mobile applications, which are live for applying in public issues using UPI mechanism is provided as 'Annexure A' for the SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, as amended.

#### **REGISTERED BROKERS**

The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the website of BSE and NSE at [www.bseindia.com/Markets/PublicIssues/brokercentres\\_new.aspx](http://www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx) and on the website of NSE at [www.nseindia.com/products/content/equities/ipos/ipo\\_mem\\_terminal.htm](http://www.nseindia.com/products/content/equities/ipos/ipo_mem_terminal.htm), respectively as updated from time to time.

#### **REGISTRAR TO THE ISSUE AND SHARE TRANSFER AGENTS (RTA)**

In terms of SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, the list of the RTAs eligible to accept 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 ([www.sebi.gov.in](http://www.sebi.gov.in)), and updated from time to time. For details on RTA, please refer <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>.

#### **COLLECTING DEPOSITORY PARTICIPANTS**

In terms of SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, the list of the CDPs eligible to accept 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 Application Forms from the Designated Intermediaries will be available on the website of the SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)) and updated from time to time.

## **STATEMENT OF RESPONSIBILITY OF THE LEAD MANAGER/ STATEMENT OF INTER SE ALLOCATION OF RESPONSIBILITIES**

Srujan Alpha Capital Advisors LLP is the sole Lead Manager to this Issue and all the responsibilities relating to co-ordination and other activities in relation to the Issue shall be performed by them and hence a statement of inter-se allocation of responsibilities is not required.

## **CREDIT RATING**

This being an Issue of Equity Shares, there is no requirement of credit rating for the Issue.

## **IPO GRADING**

Since the Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, there is no requirement of appointing an IPO Grading agency

## **GREEN SHOE OPTION**

No Green Shoe Option is applicable for this Issue.

## **BROKERS TO THE ISSUE**

All members of the recognized stock exchanges would be eligible to act as Brokers to the Issue.

## **EXPERT OPINION**

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

Our Company has received written consent from the Statutory Auditor namely, M/s. BSD & Co., Chartered Accountants, to include their name in respect of the reports on the Restated Financial Statements dated August 30, 2022 and the Statement of Tax Benefits dated August 30, 2022 issued by them and included in this Draft Prospectus, as required under section 26(1)(a)(v) of the Companies Act, 2013 in this Draft Prospectus and as “Expert” as defined under section 2(38) of the Companies Act, 2013 and such consent has not been withdrawn as on the date of this Draft Prospectus. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act.

## **TRUSTEES**

This is an issue of equity shares hence appointment of trustees is not required

## **TYPE OF ISSUE**

The present issue is considered to be 100% Fixed Price Issue.

## **MONITORING AGENCY**

Since the proceeds from the Fresh Issue does not exceed ₹10,000 lakhs in terms of Regulation 262 (1) of the SEBI ICDR Regulations, our Company is not required to appoint a monitoring agency for the purposes of this Issue.

Pursuant to Regulation 32(3) of the SEBI LODR Regulations, our Company shall on a half yearly basis disclose to the Audit Committee the uses and application of the Net Proceeds. Until such time as any part of the Net Proceeds remains unutilized, our Company will disclose the utilization of the Net Proceeds under separate heads in our Company's balance sheet(s) clearly specifying the amount of and purpose for which Net Proceeds have been utilized so far, and details of amounts out of the Net Proceeds that have not been utilized so far, also indicating interim investments, if any, of such unutilized Net Proceeds. In the event that our Company is unable to utilize the entire amount that we have currently estimated for use out of the Net Proceeds in a fiscal, we will utilize such unutilized amount in the next fiscal.

Further, in accordance with Regulation 32(1)(a) of the SEBI LODR Regulations, our Company shall furnish to the Stock Exchanges on a half yearly basis, a statement indicating material deviations, if any, in the utilization of the Net Proceeds for the objects stated in this Draft Prospectus.

## **APPRAISAL AGENCY**

None of the objects for which the Net Proceeds will be utilised have been appraised by any agency.

## **FILING OF THE DRAFT PROSPECTUS/ PROSPECTUS**

The Draft Prospectus and Prospectus shall be filed on BSE SME situated at 25th Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai – 400 001, Maharashtra, India.

Pursuant to Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Amendment) Regulations, 2022, Draft Prospectus shall not be submitted to SEBI, however, soft copy of Prospectus shall be submitted to SEBI pursuant to SEBI Circular Number SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, through SEBI Intermediary Portal at <https://siportal.sebi.gov.in> SEBI will not issue any observation on the offer document in term of Regulation 246(2) of the SEBI ICDR Regulations.

A copy of the Prospectus along with the material contracts and documents referred elsewhere in the Prospectus required to be filed under Section 26 of the Companies Act, 2013 will be delivered to the Registrar of Companies, Bangalore, situated at E Wing, 2nd Floor, Kendriya Sadan, Kormangala, Bangalore, Karnataka 560034, India at least (3) three working days prior from the date of opening of the Issue.

## **MIGRATION TO MAIN BOARD**

Our Company may migrate to the Main board of Stock Exchanges from SME Exchange on a later date subject to the following:

If the Paid up Capital of our Company is likely to increase above ₹ 2,500 lakhs by virtue of any further issue of capital by way of rights issue, preferential issue, bonus issue etc. (which has been approved by a special resolution 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), our Company shall apply to Stock Exchanges for listing of its shares on its Main Board subject to the fulfilment of the eligibility criteria for listing of specified securities laid down by the Main Board.

OR

If the Paid up Capital of our Company is more than ₹ 1,000 lakhs but below ₹ 2,500 lakhs, our Company may still apply for migration to the Main Board and if the Company fulfils the eligibility criteria for listing laid by the Main Board and if the same has been approved by a special resolution 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 or as per applicable provisions.

#### **UNDERWRITING AGREEMENT**

In terms of Regulation 260(1) of the SEBI (ICDR) Regulations, 2018, the initial public offer shall be underwritten for hundred per cent of the offer and shall not be restricted upto the minimum subscription level and as per sub regulation (2). The lead manager shall underwrite at least fifteen percent of the issue size on their own account(s).

Our Company and Lead Manager to the Issue hereby confirm that the Issue is 100% Underwritten. The underwriting agreement is dated [●] and pursuant to the terms of the underwriting agreement, obligations of the underwriter are subject to certain conditions specified therein. The underwriter has indicated their intention to underwrite following number of specified securities being offered through this Issue

<b>Name, address, telephone number, Facsimile and e-mail addresses of the Underwriters</b>	<b>Indicative Number of Equity Shares to be Underwritten</b>	<b>Amount Underwritten</b>	<b>% of total Issue Size Underwritten</b>
[●]	[●]	[●]	[●]

#### **MARKET MAKER**

[●]

## DETAILS OF MARKET MAKING ARRANGEMENT FOR THE ISSUE

Our Company has entered into a Market Making Agreement dated [●] with the following Market Maker for fulfilling the Market Making obligations under this Issue:

[●]	[●]	[●]
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In accordance with Regulation 261 of the SEBI ICDR Regulations, we have entered into an agreement with the Lead Manager and the Market Maker (duly registered with BSE to fulfil the obligations of Market Making) dated [●] to ensure compulsory Market Making for a minimum period of three years from the date of listing of equity shares offered in this Issuer.

[●], registered with SME Platform of BSE Limited will act as the Market Maker and has agreed to receive or deliver of 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 a period as may be notified by any amendment to SEBI ICDR Regulations.

The Market Maker shall fulfil the applicable obligations and conditions as specified in the SEBI ICDR Regulations, as amended from time to time and the circulars issued by BSE and SEBI in 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 shall inform the Stock 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 the Market Maker shall be in compliance with the Market Maker Spread requirements and other particulars as specified or as per the requirements of BSE SME 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 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. Based on the IPO price of ₹ [●]/- per share the minimum bid lot size is [●] Equity Shares thus minimum depth of the quote shall be [●] until the same, would be revised by BSE.
4. After a period of three (3) months from the market making period, the market maker would be exempted to provide quote if the Equity Shares of market maker in our Company reaches to 25% of Issue Size. Or upper limit (Including the 5% of Equity Shares ought to be allotted under this Issue). Any Equity Shares allotted to Market Maker under this Issue over and above 25% of Issue Size would not be taken into consideration of computing the threshold of 25% of Issue Size. As soon as the Shares of market maker in our Company reduce to 24% of Issue size, the market maker will resume providing 2-way quotes.



5. There shall be no exemption/threshold on downside. However, in the event the market maker exhausts his inventory through market making process, the concerned stock exchange may intimate the same to SEBI after due verification.
6. On the first day of the listing, there will be pre-opening session (call auction) and there after 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. The securities of the company will be placed in Special Pre-Open Session (SPOS) and would remain in Trade for Trade settlement for 10 days from the date of listing of Equity shares on the Stock Exchange.
7. The Inventory Management and Buying/Selling Quotations and its mechanism shall be as per the relevant circulars issued by SEBI and SME Platform of BSE Limited from time to time.
8. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker, for the quotes given by him.
9. There would not be more than five Market Maker for the Company's Equity Shares at any point of time and the Market Maker may compete with other Market Maker for better quotes to the investors.
10. The shares of the company will be traded in continuous trading session from the time and day the company gets listed on SME Platform of BSE Limited and market maker will remain present as per the guidelines mentioned under BSE and SEBI circulars.
11. The price band shall be 20% and the Market Maker Spread (difference between the sell and the buy quote) shall be within 10% or as intimated by Exchange from time to time.
12. 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.
13. The Market Maker shall have the right to terminate said arrangement by giving one month notice or on mutually acceptable terms to the Lead Managers, who shall then be responsible to appoint a replacement Market Maker.

In case of termination of the above mentioned Market Making agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the Lead Managers to arrange for another Market Maker(s) 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. Further the Company and the Lead Managers reserve the right to appoint other Market Maker(s) 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 5 (five) or as specified by the relevant laws and regulations applicable at that particular point of time.

14. **Risk containment measures and monitoring for Market Maker:** SME Platform of BSE Limited will have all margins which are applicable on the BSE Main Board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. BSE can impose any other margins as deemed necessary from time-to-time.
15. **Punitive Action in case of default by Market Maker:** SME Platform 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 Maker, 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 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.

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 Maker from time to time.

16. **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:
  - a. 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.
  - b. 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, the trading shall take place in TFT segment for first 10 days from commencement of trading. The following spread will be applicable on the SME Platform of BSE Limited.

Sr. No.	Market Price Slab (in ₹)	Proposed Spread (in % to sale price)
1.	Upto 50	9
2.	50 to 75	8
3.	75 to 100	6
4.	Above 100	5

17. 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)
Upto ₹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/ BSE from time to time.

All the above-mentioned conditions and systems regarding the Market Making Arrangement are subject to change based on changes or additional regulations and guidelines from SEBI and Stock Exchange from time to time.

**On the first day of listing, there will be a pre-open session (call auction) and there after 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. The securities of the Company will be placed in SPOS and would remain in Trade for Trade settlement for 10 days from the date of listing of Equity Shares on the Stock Exchange.**

#### **WITHDRAWAL OF THE ISSUE**

Our Company in consultation with the Lead Manager, reserves the right not to proceed with the Issue at any time before the Issue Opening Date without assigning any reason thereof.

If our Company withdraws the Issue any time after the Issue Opening Date but before the allotment of Equity Shares, a public notice will be issued by our Company within two (2) Working Days of the Issue Closing Date, providing reasons for not proceeding with the Issue. 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. The Lead Manager, through the Registrar to the Issue, will instruct the SCSBs and Sponsor Bank (in case of RII's using the UPI Mechanism), to unblock the ASBA Accounts within one (1) working Day from the day of receipt of such instruction.

Notwithstanding the foregoing, the Issue is subject to obtaining (i) the final listing and trading approvals of the Stock Exchange with respect to the Equity Shares Issued through the Prospectus, which our Company will apply for only after Allotment; and (ii) the final RoC approval of the Prospectus.

If our Company withdraws the Issue after the Issue Closing Date and subsequently decides to proceed with an Issue of the Equity Shares, our Company will file a fresh Draft Prospectus with the stock exchange where the Equity Shares may be proposed to be listed.

## CAPITAL STRUCTURE

Our Equity Share capital before the Issue and after giving effect to the Issue, as at the date of this draft prospectus, is set forth below:

(₹ in lakhs, except share data)

Sr. No.	Particulars	Aggregate Nominal Value	Aggregate Value at Issue Price
A.	<b>Authorised Share Capital</b>		
	2,10,00,000 Equity Shares of face value of ₹1/- each	210.00	--
B.	<b>Issued, Subscribed &amp; Paid-up Share Capital prior to the Offer</b>		
	1,50,00,000 Equity Shares of face value of ₹1/- each	150.00	--
C.	<b>Present issue in terms of the draft prospectus<sup>1</sup></b>		
	Issue of upto 55,00,000 Equity Shares of ₹1/- each	[●]	[●]
<b>Which comprises of</b>			
I.	<b>Reservation for Market Maker portion</b>		
	[●] Shares of ₹1/- each for cash at a price a ₹[●] per Equity Share	[●]	[●]
II.	<b>Net Issue to the Public</b>		
	[●] Equity Shares of ₹1/- each for cash at a price a ₹ [●] per Equity Share	[●]	[●]
<b>of which<sup>2</sup></b>			
	[●] Equity Shares of ₹1/- each for cash at a price a ₹[●] per Equity Share will be available for allocation for allotment to Retail Individual Investors of up to ₹2.00 lakhs	[●]	[●]
	[●] Equity Shares of ₹1/- each for cash at a price a ₹ [●] per Equity Share will be available for allocation for allotment to Other Investors of above ₹2.00 lakhs	[●]	[●]
D.	<b>Issued, Subscribed and Paid up Equity Share capital after the Issue</b>		
	[●] Equity Shares of ₹1/- each		[●]
E.	<b>Securities Premium Account</b>		
	Before the Issue		--
	After the Issue		[●]*

<sup>1</sup> The present Issue of upto 55,00,000 Equity Shares in terms of Draft Prospectus has been authorized pursuant to a resolution of our Board dated August 08, 2022 and a special resolution of our Shareholders at an Extra-Ordinary General Meeting dated August 10, 2022 under Section 62(1)(c) of the Companies Act, 2013.

<sup>2</sup> Allocation to all categories shall be made on a proportionate basis subject to valid Applications received at or above the Issue Price. Under-subscription, if any, in any of the categories, would be allowed to be met with spill-over from any of the other categories or a combination of categories at the discretion of our Company in consultation with the Lead Manager and Designated Stock Exchange. Such inter-se spill over, if any, would be affected in accordance with applicable laws, rules, regulations and guidelines.

*\*To be finalized upon determination of the Issue Price.*

## CLASSES OF SHARES

Our Company has only one class of share capital i.e. Equity Shares of face value of ₹ 1/- each only. All the issued Equity Shares are fully paid-up. Our Company has no outstanding convertible instruments as on the date of this Draft Prospectus.

## NOTES TO THE CAPITAL STRUCTURE

### 1. Changes in Authorised Equity Share Capital of our Company:

Particulars of increase	Cumulative No. of Equity Shares	Face Value of Equity Share	Cumulative Authorized Share Capital (₹ in lakhs)	Date of Meeting	Whether AGM/EGM
On Incorporation	10,00,000	1	10.00	Incorporation	Incorporation
Increase in Authorised Share Capital from ₹10.00 Lakhs to ₹ 180.00 Lakhs	1,80,00,000	1	180.00	December 15, 2021	EGM
Increase in Authorised Share Capital from ₹180.00 Lakhs to ₹ 210.00 Lakhs	2,10,00,000	1	210.00	April 28, 2022	EGM

### 2. Equity Share Capital History of our Company

(a) The following table sets forth the history of the Equity Share capital of our Company:

Date of Allotment	No. of equity shares allotted	Face Value per equity share (₹)	Issue price per equity share (₹)	Consideration (Cash / Other than cash)	Nature of Allotment	Cumulative No. of Equity Shares	Cumulative Securities Premium (₹)	Cumulative Paid Up Capital (₹)
On Incorporation	1,00,000	1	1	Cash	Subscribers to MOA <sup>(1)</sup>	1,00,000	NIL	1,00,000

December 1, 2021	3,50,000	1	34	Cash	Rights Issue <sup>(2)</sup>	4,50,000	1,15,50,000	4,50,000
February 25, 2022	1,45,50,000	1	NIL	Other than cash	Bonus Issue <sup>(3)</sup>	1,50,00,000	NIL	1,50,00,000

*All the above-mentioned shares are fully paid up since the date of allotment.*

*(1) Initial Subscribers to the Memorandum of Association subscribed 1,00,000 Equity Shares of Face Value of ₹ 1/- each, details of which are given below:*

Sr. No.	Name of Subscribers	Number of Shares Subscribed
1	Hemant Dharnidharka	49,000
2	Preeti Saraogi	51,000
	<b>TOTAL</b>	<b>1,00,000</b>

*(2) Rights Issue of 3,50,000 Equity shares of Face Value of ₹ 1/- each as per the details given below:*

Sr. No	Names of Person	Equity Shares Offered	Equity Shares Received/ (Renounced)	Net Balance of Equity Shares	Equity Shares Subscribed/ Received by Renunciation	Lapse of Equity Shares
1.	Hemant Dharnidharka	1,71,500	--	1,71,500	1,71,500	--
2.	Preeti Saraogi	1,78,500	--	1,78,500	1,78,500	--
	<b>TOTAL</b>	<b>3,50,000</b>	<b>--</b>	<b>3,50,000</b>	<b>3,50,000</b>	

*(3) Bonus issue of 1,45,50,000 Equity Shares of Face Value of ₹ 1/- each in the ratio of 97:3 i.e. 97 (Ninety Seven) Bonus Equity Shares for every 3 (Three) Equity Shares held by shareholders*

S. No.	Names of Person	Number of Shares Allotted
1.	Hemant Dharnidharka	1,35,31,500
2.	Preeti Saraogi	9,70,000
3.	Hemant Dharnidharka – HUF	9,700
4.	Pramod Kumar Dharnidharka	9,700
5.	Pramod Kumar Dharnidharka – HUF	9,700
6.	Payal Mohta	9,700
7.	Khushboo Kanodia	9,700

*(b) As on the date of this Draft Prospectus, our Company does not have any Preference Share Capital.*



3. Except as mentioned in point number 4 below, the Company has not issued any Equity Share for consideration other than cash in the last two years preceding the date of the Draft Prospectus.

**4. Issue of Equity Shares for consideration other than cash**

Except as set out below we have not issued Equity Shares for consideration other than cash

Date of Allotment	No. of Equity Shares	Face Value per equity share (₹)	Issue price per equity share (₹)	Reasons of Allotment	Benefits accrued to our Company	Name of Allottees	No. of Shares Allotted
February 25, 2022	1,45,50,000	1	--	Issue in the ratio of [97 Equity Shares issued for every 3 Equity Shares held by the existing Equity Shareholders]	Capitalization of Reserves & Surplus	Hemant Dharnidharka	1,35,31,500
						Preeti Saraogi	9,70,000
						Hemant Dharnidharka – HUF	9,700
						Pramod Kumar Dharnidharka	9,700
						Pramod Kumar Dharnidharka – HUF	9,700
						Payal Mohta	9,700
						Khushboo Kanodia	9,700

5. No Equity Shares have been allotted pursuant to any scheme approved under sections 230-234 of the Companies Act, 2013 or under the erstwhile corresponding provisions of the Companies Act, 1956.

6. Our Company has not issued any shares pursuant to an Employee Stock Option Scheme.

7. Except for bonus issue made on February 25, 2022, our Company has not issued Equity shares at price below the Issue price within last one year from the date of the Draft Prospectus

8. We have not revalued our assets since inception and have not issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves

## 9. Shareholding Pattern of the Company

The table below represents the shareholding pattern of our Company in accordance with Regulation 31 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as on the date of this Draft Prospectus:

### I. Our Shareholding pattern

Category y	Category of the Shareholder	No. of sha re hol der s	No. of fully paid up equity share s held	No. of Partl y paid -up equit y shar es held	Nos . of sha res und erly ing Dep osit ory Rec eipt s	Total nos. shares held	Share ho lding % ( calcul ated as per SCRR, 1957)  As a % of (A+B+C2)	No. of Voting Rights held in each class of securities			No. of Shares Under lying Outsta nd ing conver tible securit ies (inclu ding Warra nts)	Total Sharehol ding , as a % assumin g full conversi on of convertib le securitie s ( as a percenta ge of diluted share capital)	No. of Locked in shares		No. of Shares pledged or otherwise encumbered		No. of equity shares held in demateria lized form
I	II	III	IV	V	VI	VII = IV+V+VI	VIII	IX			X	XI=VII+ X	XII		XIII		XIV

(A)	Promoter & Promoter Group	7	1,50,00,000	-	-	1,50,00,000	100.00	1,50,00,000	-	1,50,00,000	100.00	-	100.00	-	-	-	-	[●]
(B)	Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C)	Non Promoter-Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares held by Emp. Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Total</b>	<b>7</b>	<b>1,50,00,000</b>	<b>-</b>	<b>-</b>	<b>1,50,00,000</b>	<b>100.00</b>	<b>1,50,00,000</b>	<b>-</b>	<b>1,50,00,000</b>	<b>100.00</b>	<b>-</b>	<b>100.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>[●]</b>

#### Notes

*\*As on date of this Draft Prospectus 1 Equity share holds 1 vote.*

*Our Company has only one class of Equity Shares of face value of ₹ 1/- each.*

*Our Company has entered into a tripartite agreement with CDSL and NSDL.*

*Our Company will file the shareholding pattern in the form prescribed under Regulation 31 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, one day prior to the listing of the Equity shares. The shareholding pattern will be uploaded on the Website of the BSE before commencement of trading of such Equity Shares.*

## II. Shareholding pattern of the Promoter and Promoter Group

Sr. No.	Category & Name of the Shareholders	No. of share holders	No. of fully paid up equity shares held	Partly paid-up equity shares held	Nos. of shares underlying Depository Receipts	Total nos. shares held	Share holding % (calculated as per SCRR, 1957)  As a % of (A+B+C2)	No. of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Total Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	No. of Locked in shares		No. of Shares pledged or otherwise encumbered		No. of equity shares held in dematerialized form
								No of Voting Rights			Total as a % of Total Voting rights			No. (a)	As a % of total 73 shares held (b)	No. (not applicable) (a)	As a % of total shares held (not applicable)(b)	
								Class Equity Shares of Rs.1/- each	Class Y	Total								
	I	II	III	IV	V	VI=III+ IV+V	VII	VIII				IX	X= VI+IX	XI		XII		XIII
1	Indian																	
(a)	Individuals/ HUF	7	1,50,00,000	-	-	1,50,00,000	100.00	1,50,00,000	-	1,50,00,000	100	-	100	-	-		[•]	

[illegible]

(b)	Government	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Foreign Portfolio Investor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(f)	Any Other (specify)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Sub-Total (A)(2)</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)</b>		<b>7</b>	<b>1,50,00,000</b>	-	-	<b>1,50,00,000</b>	<b>100.00</b>	<b>1,50,00,000</b>	-	<b>1,50,00,000</b>	<b>100.00</b>	-	<b>100.00</b>	-	-	<b>[•]</b>

*\*As on date of this Draft Prospectus 1 Equity share holds 1 vote*



[illegible]

[illegible]

[illegible]

[illegible]

# 10. List of Shareholders of the Company holding 1% or more of the paid-up Share Capital of the Company

a. As on the date of filing of this Draft Prospectus

Sr. No.	Name of Shareholders	Shares held (Face Value of Rs. 1 each)	% Pre-Issue paid up Share Capital
1.	Hemant Dharnidharka	1,39,50,000	93.00%
2.	Preeti Saraogi	10,00,000	6.67%
	<b>TOTAL</b>	<b>1,49,50,000</b>	<b>99.67%</b>

b. Ten days prior to the date of filing of this Draft Prospectus

Sr. No.	Name of Shareholders	Shares held (Face Value of Rs. 1 each)	% Pre-Issue paid up Share Capital
1.	Hemant Dharnidharka	1,39,50,000	93.00%
2.	Preeti Saraogi	10,00,000	6.67%
	<b>TOTAL</b>	<b>1,49,50,000</b>	<b>99.67%</b>

c. One Year prior to the date of filing of this Draft Prospectus

Sr. No.	Name of Shareholders	Shares held (Face Value of Rs. 1 each)	% Pre-Issue paid up Share Capital
1.	Hemant Dharnidharka	49,000	49.00%
2.	Preeti Saraogi	51,000	51.00%
	<b>TOTAL</b>	<b>1,00,000</b>	<b>100.00%</b>

*\*Details of shares held on September 26, 2021 and percentage held has been calculated based on the paid-up capital of our Company as on September 26, 2021.*

d. Two Years prior to the date of filing of this Draft Prospectus

Sr. No.	Name of Shareholders	Shares held (Face Value of Rs. 1 each)	% Pre-Issue paid up Share Capital
1.	Hemant Dharnidharka	49,000	49.00%
2.	Preeti Saraogi	51,000	51.00%
	<b>TOTAL</b>	<b>1,00,000</b>	<b>100.00%</b>

*\*Details of shares held on September 26, 2020 and percentage held has been calculated based on the paid-up capital of our Company as on September 26, 2020.*

11. Our Company has not made any Initial Public Offer of specified securities in the preceding two years from the date of filing of this Draft Prospectus.

12. There will be no further issue of capital, whether by way of issue of bonus shares, preferential allotment, Right issue or in any other manner during the period commencing from the date of the Draft Prospectus until the Equity Shares of our Company have been listed or application money unblocked on account of failure of Issue. Further, our Company does not intend to alter its capital structure within six months from the date of opening of

the offer, by way of split / consolidation of the denomination of Equity Shares. However, our Company may further issue Equity shares (including issue of securities convertible into Equity Shares) whether preferential or otherwise after the date of the listing of equity shares to finance an acquisition, merger or joint venture or for regulatory compliance or such other scheme of arrangement or any other purpose as the Board of Directors may deem fit, if an opportunity of such nature is determined by the Board of Directors to be in the interest of our Company.

### 13. Capital Buildup in respect of Shareholding of our Promoters

As on the date of this Draft Prospectus, Our Promoters, Mr. Hemant Dharnidharka and Ms. Preeti Saraogi, collectively hold 1,49,50,000 Equity Shares of our Company. None of the Equity Shares held by our Promoters are subject to any pledge.

Set forth below is the build-up of the shareholding of our Promoters in our Company since incorporation:

Date of Allotment and made fully paid up/ Transfer	No. of Equity Shares	Face Value Per Share (₹)	Issue/Acquisition / Transfer Price (₹)	Consideration	Nature of Issue	Pre-Issue Shareholding % (adjusted as per face value)	Post-Issue Shareholding % (adjusted as per face value)
<b>(A) Hemant Dharnidharka</b>							
	49,000	1	1	Cash	Subscription to MoA	49.00	[●]
December 1, 2021	1,71,500	1	34	Cash	Rights Issue	49.00	[●]
February 10, 2022	1,98,000	1	--	Other than Cash	Acquisition of shares by way of transfer <sup>(1)</sup>	93.00	[●]
February 25, 2022	1,35,31,500	1	--	Other than Cash	Bonus Issue in the ratio of 97:3	93.00	[●]
<b>(B) Preeti Saraogi</b>							
	51,000	1	1	Cash	Subscription to MoA	51.00	[●]
December 1, 2021	1,78,500	1	34	Cash	Rights Issue	51.00	[●]
February 10, 2022	(1,99,500)	1	--	Other than Cash	Sell of shares by way of transfer (Gift) <sup>(2)</sup>	41.00	[●]
February 25, 2022	9,70,000	1	--	Other than Cash	Bonus Issue in the ratio of 97:3	6.67	[●]

*Note: None of the Shares has been pledged by our Promoters.*



**(1) Details of Acquisition (by way of gift) by Hemant Dharnidharka by way of transfer of 1,98,000 Equity Shares dated February 10, 2022**

Sr. No.	Date of Transfer	Name of Transferor	No. of Shares Transferred
1.	February 10, 2022	Preeti Saraogi	1,98,000

**(2) Details of Sell (by way of gift) by Preeti Saraogi by way of transfer of 1,99,500 Equity Shares dated February 10, 2022**

Sr. No.	Date of Transfer	Name of Transferor	No. of Shares Transferred
1.	February 10, 2022	Hemant Dharnidharka	(1,98,000)
2.	February 10, 2022	Hemant Dharnidharka – HUF	(300)
3.	February 10, 2022	Pramod Kumar Dharnidharka	(300)
4.	February 10, 2022	Pramod Kumar Dharnidharka – HUF	(300)
5.	February 10, 2022	Payal Mohta	(300)
6.	February 10, 2022	Khushboo Kanodia	(300)

**14. The average cost of acquisition of or subscription of shares by our Promoters is set forth in the table below**

Sr. No.	Name of the Promoters	No. of Shares held	Average cost of Acquisition (in ₹)
1.	Hemant Dharnidharka	1,39,50,000	[●]
2.	Preeti Saraogi	10,00,000	[●]

**15. Shareholding of Promoters & Promoters Group**

Following are the details of pre and post Issue shareholding of persons belonging to the category “Promoter and Promoter Group”

Sr. No.	Names	Pre IPO		Post IPO	
		Shares held	% of Shares Held	Shares held	% of Shares Held
Promoters					
1.	Hemant Dharnidharka	1,39,50,000	93.00%	[●]	[●]
2.	Preeti Saraogi	10,00,000	6.67%	[●]	[●]
Promoter Group					
1.	Hemant Dharnidharka – HUF	10,000	0.07%	[●]	[●]
2.	Pramod Kumar Dharnidharka	10,000	0.07%	[●]	[●]
3.	Pramod Kumar Dharnidharka – HUF	10,000	0.07%	[●]	[●]

4.	Payal Mohta	10,000	0.06%	[●]	[●]
5.	Khushboo Kanodia	10,000	0.06%	[●]	[●]

**16.** No Equity Shares were acquired/ purchased/ sold by the Promoter and Promoter Group, Directors and their immediate relatives within **six months** immediately preceding the date of filing of this Draft Prospectus.

**17.** None of our Promoters, Promoter Group, our Directors and their relatives has entered into any financing arrangement or financed the purchase of the Equity Shares of our Company by any other person during the period of six months immediately preceding the date of filing of the Draft Prospectus.

### **18. Details of Promoters' Contribution Locked-in for Three Years**

Pursuant to Regulation 236 and 238 of SEBI (ICDR) Regulations, 2018, an aggregate of 20.00% of the post issue capital held by our Promoters shall be considered as Promoter's Contribution ("Promoters Contribution") and shall be locked-in for a period of three years from the date of allotment of Equity shares issued pursuant to this Issue. The lock in of Promoter's Contribution would be created as per applicable law and procedure and details of the same shall also be provided to the Stock Exchange before listing of the Equity Shares.

As on the date of this Draft Prospectus, our Promoters collectively hold 1,49,50,000 Equity Shares constituting 72.93 of the **Post – Issued**, subscribed and paid-up Equity Share Capital of our Company, which are eligible for the Promoters' contribution.

Our Promoter, Hemant Dharnidharka & Preeti Saraogi, have given written consent to include 1,49,50,000 Equity Shares held by them and subscribed by them as part of Promoters Contribution constituting 20% of the post issue Equity Shares of our Company. Further, they have agreed not to sell or transfer or pledge or otherwise dispose of in any manner, the Promoters contribution, for a period of three years from the date of allotment in the Issue.

Date of Allotment/ Transfer and made fully Paid Up	No. of Equity Shares locked-in*	Value Per Share (₹)	Acquisition/ Transfer Price (₹)	Nature of transaction	Post-Issue Shareholding %	Lock in Period
<b>(A) Hemant Dharnidharka</b>						
[●]	[●]	[●]	[●]	[●]	[●]	3 years
<b>(B) Preeti Saraogi</b>						
[●]	[●]	[●]	[●]	[●]	[●]	3 years
<b>Total (A+B)</b>					<b>20.00%</b>	<b>3 years</b>

*\*Assuming full subscription to the Issue*

The minimum Promoter's contribution has been brought in to the extent of not less than the specified minimum lot and from persons defined as "Promoter" under the SEBI (ICDR) Regulations. All Equity Shares, which are being locked in are not ineligible for computation of Minimum Promoters Contribution as per Regulation 237 of the SEBI (ICDR) Regulations and are being locked in for 3 years as per Regulation 238(a) of the SEBI (ICDR) Regulations i.e. for a period of three years from the date of allotment of Equity Shares in this issue.

The entire pre-issue shareholding of the Promoters, other than the Minimum Promoters contribution which is locked in for three years, shall be locked in for a period of one year from the date of allotment in this Issue.

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

<b>Reg. No.</b>	<b>Promoters' Minimum Contribution Conditions</b>	<b>Eligibility Status of Equity Shares forming part of Promoter's Contribution</b>
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 Promoter's contribution does not consist of such Equity Shares.  <b>Eligible</b>
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 Promoter's contribution does not consist of such Equity Shares.  <b>Eligible</b>
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 Promoter's contribution does not consist of such Equity Shares.  <b>Eligible.</b>
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	The minimum Promoter's contribution does not consist of such Equity Shares.  <b>Eligible.</b>

	firms for a period of more than one year on a continuous basis, shall be eligible	
237(1)(d)	Specified securities pledged with any creditor.	Our Promoters have not Pledged any shares with any creditors. Accordingly, the minimum Promoter's contribution does not consist of such Equity Shares. <b>Eligible</b>

Details of Promoters' Contribution Locked-in for One Year in terms of Regulation 238(b) and 239 of the SEBI (ICDR) Regulations, 2018, in addition to the Minimum Promoters contribution which is locked in for three years, as specified above, the entire pre-issue equity share capital constituting 1,50,00,000 Equity Shares shall be locked in for a period of one year from the date of allotment of Equity Shares in this Issue. In terms of Regulation 241 of the SEBI (ICDR) Regulations, 2018, the Equity Shares which are subject to lock-in shall carry inscription 'non-transferable' along with the duration of specified non-transferable period mentioned in the face of the security certificate. The shares which are in dematerialized form, if any, shall be locked-in by the respective depositories. The details of lock-in of the Equity Shares shall also be provided to the Designated Stock Exchange before the listing of the Equity Shares.

Other requirements in respect of lock-in:

1. In terms of Regulation 242 of the SEBI (ICDR) Regulations, the locked in Equity Shares held by the Promoters, as specified above, can be pledged with any scheduled commercial bank or public financial institution or a systemically important non-banking finance company or a housing finance company as collateral security for loan granted by such bank or institution provided that the pledge of Equity Shares is one of the terms of the sanction of the loan. Provided that securities locked in as minimum promoter contribution may be pledged only if, in addition to fulfilling the above requirements, the loan has been granted by such bank or institution, for the purpose of financing one or more of the objects of the Issue.
2. In terms of Regulation 243 of the SEBI (ICDR) Regulations, the Equity Shares held by persons other than the Promoters prior to the Issue may be transferred to any other person holding the Equity Shares which are locked in as per Regulation 239 of the SEBI (ICDR) Regulations, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as applicable.
3. Further in terms of Regulation 243 of the SEBI (ICDR) Regulations, the specified securities held by the promoters and locked-in as per regulation 238 may be transferred to another promoter or any person of the promoter group or a new promoter or a person in control of the issuer subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as applicable.

19. Neither, we nor our Promoters, Directors and the LM to this Issue have entered into any buyback and / or standby arrangements and / or similar arrangements for the purchase of our Equity Shares from any person.
20. As on the date of this Draft Prospectus, the entire Issued Share, Subscribed and Paid-up Share Capital of our Company is fully paid up. Since the entire issue price in respect of the issue is payable on application, all the successful applicants will be allotted fully paid-up Equity Share.
21. The LM i.e. Srujan Alpha Capital Advisors LLP and their associates do not hold any Equity Shares in our Company as on the date of filing of this Draft Prospectus.
22. As on the date of this Draft Prospectus, we do not have any Employees Stock Option Scheme / Employees Stock Purchase Scheme and we do not intend to allot any shares to our employees under Employee Stock Option Scheme/ Employee Stock Purchase Plan 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) Regulations, 2014.
23. We have seven (7) shareholders as on the date of filing of this Draft Prospectus.
24. As on the date of filing of this Draft Prospectus, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments which would entitle Promoters or any shareholders or any other person any option to acquire our Equity Shares after this Initial Public Offer
25. Our Company has not raised any bridge loan against the proceeds of the Issue.
26. As on the date of this Draft Prospectus, none of the shares held by our Promoters / Promoters Group are subject to any pledge.
27. We here by confirm that 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 the Draft Prospectus until the Equity Shares offered have been listed or application money unblocked on account of failure of Issue.
28. An over-subscription to the extent of 1% of the Issue, subject to the maximum post issue paid up capital of ₹ 25 crores, can be retained for the purpose of rounding off to the nearest integer during finalizing the allotment, subject to minimum allotment, which is the minimum application size in this Issue. Consequently, the actual allotment may go up by a maximum of 1% 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 Promoter and subject to 3 year lock- in shall be suitably increased; so as to ensure that 20% of the post Issue paid-up capital is locked in.

- 29.** Allocation to all categories shall be made on a proportionate basis subject to valid applications received at or above the Issue Price. Under subscription, if any, in any of the categories, would be allowed to be met with spill-over from any of the other categories or a combination of categories at the discretion of our Company in consultation with the LM and Designated Stock Exchange i.e. BSE. Such inter-se spill over, if any, would be affected in accordance with applicable laws, rules, regulations and guidelines.
- 30.** In case of over-subscription in all categories the allocation in the issue shall be as per the requirements of Regulation 253 of SEBI (ICDR) Regulations, 2018 and its amendments from time to time.
- 31.** The unsubscribed portion in any reserved category (if any) may be added to any other reserved category.
- 32.** The unsubscribed portion if any, after such inter se adjustments among the reserved categories shall be added back to the net issue to the public portion.
- 33.** At any given point of time there shall be only one denomination of the Equity Shares, unless otherwise permitted by law.
- 34.** Our Company shall comply with such disclosure and accounting norms as may be specified by BSE, SEBI and other regulatory authorities from time to time.
- 35.** There are no Equity Shares against which depository receipts have been issued.
- 36.** Other than the Equity Shares, there is no other class of securities issued by our Company.
- 37.** There are no safety net arrangements for this public issue.
- 38.** As per RBI regulations, OCBs are not allowed to participate in this issue.
- 39.** Our Promoters and Promoter Group will not participate in this Issue.
- 40.** This Issue is being made through Fixed Price method.
- 41.** Our Company has not made any public issue or rights issue of any kind or class of securities since its incorporation.
- 42.** In terms of Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended, (the SCRR) the Issue is being made for at least 25% of the post-issue paid-up Equity Share capital of our Company. Further, this Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time.



- 43.** No person connected with the Issue shall offer any incentive, whether direct or indirect, in the nature of discount, commission, and allowance, or otherwise, whether in cash, kind, services or otherwise, to any Applicant.

We shall ensure that transactions in Equity Shares by the Promoters and members of the Promoter Group, if any, between the date of filing the Red Herring Prospectus/ Prospectus with the Registrar of companies and the Bid/ Issue Closing Date are reported to the Stock Exchanges within 24 hours of such transactions being completed.

## SECTION V – PARTICULARS OF THE ISSUE

### OBJECTS OF THE ISSUE

The Issue comprises of fresh Issue upto 55,00,000 Equity Shares at an Issue Price of ₹ [●] per Equity Share aggregating to ₹ [●] Lakhs

Our Company proposes to utilize the Net Proceeds from the Issue towards funding the following objects:

1. Investment in Wholly owned Subsidiary Company; and
2. General corporate purposes.

(Collectively, referred to herein as the “Objects of the Issue”)

In addition to the aforementioned objects, our Company intends to strengthen its capital base and expects to receive the benefits of listing of the Equity Shares on the Stock Exchanges, including among other things, enhancing the visibility of our brand and our Company among our existing and potential customers.

Our Company is engaged in the business of providing advisory mutual fund distribution services and is registered with AMFI along with that the Company is a registered real estate broker and is registered with Karnataka RERA. It also carries out Business Process Services. The main object clause and the ancillary object clause of the Memorandum of Association of our Company enable us to undertake our existing activities and the activities for which we are raising funds through the Issue. The existing activities of our Company are within the object clause of our Memorandum. The Fund requirement and deployment is based on internal management estimates and has not been appraised by any bank and financial institution.

### ISSUE PROCEEDS

The details of the proceeds of the Fresh Issue are summarized below:

Particulars	Amount
Gross Proceeds from the Fresh issue*	[●]
Less : Issue related expenses* <sup>1</sup>	[●]
Net Proceeds of the Fresh Issue*	[●]

\* to be updated in the prospectus prior to filing with RoC

<sup>1</sup> The Issue related expenses are estimated expenses and subject to change.

## UTILISATION OF NET PROCEEDS

After deducting the Issue related expenses in relation to the Fresh Issue, we estimate the proceeds of the fresh Issue to be ₹[●] Lakh ("Net Proceeds"). The Object for which our Company intends to use the Net Proceeds are

Sr. No.	Particulars	Estimated Amount (₹ in Lakhs)*	% of Gross Proceeds	% of Net Proceeds
1.	Investment in Wholly owned Subsidiary Company	[●]	[●]	[●]
2.	General Corporate Purpose <sup>#</sup>	[●]	[●]	[●]
	<b>TOTAL</b>			[●]

<sup>#</sup> The amount utilized for general corporate purpose shall not exceed 25% of the gross proceeds of the issue.

\* To be updated in the prospectus prior to filing with RoC.

## PROPOSED SCHEDULE OF IMPLEMENTATION AND DEPLOYMENT OF THE NET PROCEEDS

The Net Fresh Issue Proceeds are proposed to be used in the manner set out in the following table:

(₹ in Lakhs)

Sr. No.	Particulars	Amount proposed to be financed from Net Issue Proceeds <sup>1</sup>	Estimated Utilization of Net Proceeds in F. Y. 2022-23
1.	Investment in Wholly owned Subsidiary Company	[●]	[●]
2.	General Corporate Purpose*	[●]	[●]

<sup>1</sup> To be updated in the Prospectus prior to filing with RoC

\* The amount utilized for general corporate purpose shall not exceed 25% of the gross proceeds of the issue

As indicated above, our Company proposes to deploy the entire Net Proceeds towards the objects as described in the Financial Year 2022-2023 and 2023-2024. In the event that the estimated utilization of the Net Proceeds in FY'23 and FY'24 is not completely met, the same shall be utilized, in part or full, in the next financial year or a subsequent period towards the Objects.

## MEANS OF FINANCE

The above-mentioned fund requirement will be met from the proceeds of the Issue. We intend to fund the shortfall, if any, from internal accruals. Set forth below are the means of finance for the above-mentioned fund requirement:

(₹ in Lakh)

Sr. No.	Particulars	Amount
1.	Net Issue Proceeds	[●]

The requirements of the objects detailed above are intended to be funded from the Proceeds of the Fresh Issue and Internal Accruals.

***Since the fund requirements set out for the aforesaid objects of the Issue are proposed to be met entirely from the Net Proceeds. Accordingly, we confirm that we are in compliance with the requirement to make firm arrangements of finance under Regulation 230(1)(e) of the SEBI (ICDR) Regulations, 2018 through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised through the Net Proceeds and existing identifiable internal accruals.***

The fund requirements are based on internal management estimates and have not been appraised by any bank or financial institution or any other independent agency. 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.

As we operate in 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 the chapter titled "Risk Factors" beginning on page 31 of this Draft Prospectus.

## **DETAILS OF USE OF THE PROCEEDS**

### **1. Investment in Wholly Owned Subsidiary Company**

#### *Form of investment:*

Our Company proposes to invest ₹ [●] Lakhs out of the Net Proceeds of the Issue in our Wholly Owned Subsidiary Company, "Dharni Consulting Private Limited" ("DCPL"). The form of investment shall be Equity infusion.

*Details and utilisation:*

DCPL will utilize this amount to acquire /construct the properties / assets and shall subsequently enter into lease agreements for these properties. The lease rentals from such properties / assets will generate income, and in long run the capital appreciation of such properties / assets will in turn upsurge the Company's overall revenue.

Our Company is already registered as a real estate broker with the RERA Authority, Bangalore, and with our extensive knowledge of the Bangalore real estate market, this investment in DCPL will enable us to expand our business operations into the acquisitions and leasing of properties / assets, and better serve our existing customers; as lease rentals provide higher yields in the range of 6-8% in the Bangalore real estate market.

**2. General Corporate Purposes**

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 [●] Lakhs towards the general corporate purposes to drive our business growth subject to such utilization not exceeding 25% of the Net Proceeds, in compliance with the SEBI (ICDR) Regulations, 2018.

Our Company intends to deploy the balance Net Proceeds, if any, for general corporate purposes, subject to above mentioned limit, as may be approved by our management, including but not restricted to, the following:

- (i) strategic initiatives
- (ii) brand building and strengthening of marketing activities; and
- (iii) on-going general corporate exigencies or any other purposes as approved by the Board subject to compliance with the necessary regulatory provisions.

The quantum of utilization of funds towards each of the above purposes will be determined by our Board of Directors based on the permissible amount actually available under the head “General Corporate Purposes” and the business requirements of our Company, from time to time. We, in accordance with the policies of our Board, will have flexibility in utilizing the Net Proceeds for general corporate purposes, as mentioned above.

**DETAILS OF ISSUE RELATED EXPENSES**

The estimated Issue related expenses include Issue Management Fee, Marketing Fee, Underwriting and Selling Commissions, Printing and Distribution Expenses, Legal Fee, Advertisement Expenses, Registrar’s Fees, Depository Fee and Listing Fee. The total expenses for this Issue are estimated to be approximately ₹ [●] Lakhs. All the Issue related expenses shall be met out of the proceeds of the Issue and the break-up of the same is as follows:

Particulars	Expenses	% of Total Issue Expenses	% of Total Issue Size
	(₹ In Lakh)		
Lead Manager Fees including other intermediaries' fees	[●]	[●]	[●]
Advertising and Marketing Expenses	[●]	[●]	[●]
Regulators Including Stock Exchanges and Depository	[●]	[●]	[●]
Printing and distribution of Issue Stationary	[●]	[●]	[●]
Others, if any (market making, , marketing fees, secretarial, peer review auditors, Syndicate Member Commission, Brokerage, selling, commission, upload fees and Miscellaneous etc.)	[●]	[●]	[●]

*Note:*

Structure for commission and brokerage payment to the SCSBs Syndicate, RTAs, CDPs and SCSBs:

- (1) SCSBs will be entitled to a processing fee of ₹ [●] per Application Form for processing of the Application Forms procured by other Application Collecting Intermediary and submitted to them.
- (2) Selling commission payable to Registered broker, SCSBs, RTAs, CDPs on the portion directly procured from Retail Individual Investors and Non-Institutional Investors, would be [●] % on the Allotment Amount.
- (3) No additional uploading/processing charges shall be payable to the SCSBs on the applications directly procured by them.
- (4) The commissions and processing fees shall be payable within 30 Working days post the date of receipt of final invoices of the respective intermediaries.
- (5) Amount Allotted is the product of the number of Equity Shares Allotted and the Issue Price.

#### **FUNDS DEPLOYED AND SOURCES OF FUNDS DEPLOYED**

The fund deployed out of internal accruals up to [●] is ₹ [●] Lakhs towards issue expenses vide certificate dated [●] having UDIN: [●] received from M/s.B S D & Co Chartered Accountants and the same will be recouped out of issue expenses and objects of the issue as the case may be.

(₹ in lakhs)

Particulars	Amount deployed
<b>Issue Expenses</b>	[●]*
<b>Object of the Issue</b>	
Investment in Wholly owned Subsidiary Company	[●]
<b>TOTAL</b>	

\* amount is inclusive of applicable taxes



### **APPRAISAL BY APPRAISING FUND**

None of the Objects have been appraised by any bank or financial institution or any other independent third-party organization. The funding requirements of our Company and the deployment of the proceeds of the Issue are currently based on management estimates. The funding requirements of our Company are dependent on a number of factors which may not be in the control of our management, including variations in interest rate structures, changes in our financial condition and current commercial conditions and are subject to change in light of changes in external circumstances or in our financial condition, business or strategy.

### **SHORTFALL OF FUNDS**

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

### **BRIDGE FINANCING FACILITIES**

As on the date of this Draft Prospectus, we have not raised any bridge loans which are proposed to be repaid from the Net Proceeds. However, we may draw down such amounts, as may be required, from an overdraft arrangement / cash credit facility, if any, with our lenders, to finance additional working capital needs until the completion of the Issue.

### **MONITORING UTILIZATION OF FUNDS**

As the size of the Fresh Issue does not exceed ₹10,000 Lakhs, in terms of Regulation 262 of the SEBI (ICDR) Regulations, 2018, our Company is not required to appoint a monitoring agency for the purposes of this Issue.

Our Board and the management will monitor the utilization of the Net Proceeds through its audit committee. Pursuant to Regulation 32 of the Securities and Exchange Board of India (Listing Obligations and Disclosure 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 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 and for working capital requirements.

### **INTERIM USE OF PROCEEDS**

Pending utilization for the purposes described above, our Company intends to invest the funds in 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.

#### **VARIATION IN OBJECTS**

In accordance with Section 13(8) and Section 27 of the Companies Act, 2013, our Company shall not vary the objects of the Issue without our Company being authorized to do so by the Shareholders by way of a special resolution through a postal ballot. Further, pursuant to Regulation 32 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, our Company shall on half- yearly basis disclose to the Audit Committee the applications of the proceeds of the Issue. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution (“Postal Ballot Notice”) shall specify the prescribed details as required under the Companies Act. The Postal Ballot Notice shall simultaneously be published in the newspapers, one in English and one in Hindi, the vernacular language of the jurisdiction where the Registered Office is situated. Our Promoters will be required to provide an exit opportunity to such shareholders who do not agree to the above stated proposal, at a price as may be prescribed by SEBI, in this regard.

#### **OTHER CONFIRMATIONS**

There are no material existing or anticipated transactions with our Promoters, our Directors, our Company’s Key Managerial Personnel in relation to the utilization of the Net Proceeds. No part of the Net Proceeds will be paid by us as consideration to our Promoters, our Directors or Key Managerial Personnel except in the normal course of business and in compliance with the applicable laws.

## BASIS FOR ISSUE PRICE

*Investors should read the following summary with the chapter titled “Risk Factors”, the details about our Company under the chapter titled “Our Business” and its financial statements under the chapter titled “Financial Information” beginning on pages 31, 127 and 181 respectively of this Draft 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.*

The Issue Price of ₹[●] per Equity Share has been determined by our Company, in consultation with the Lead Manager on the basis of an assessment of market demand for the Equity Shares through the Fixed Price Process and on the basis of the following qualitative and quantitative factors. The face value of the Equity Share of our Company is ₹1/- and Issue Price is ₹[●] which is which is [●] times of the face value.

### QUALITATIVE FACTORS

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

- Established and proven track record & integrated in-house execution capabilities;
- Leveraging the experience of our Promoters;
- Superior Process Solutions;
- Cordial relations with our customers;
- Efficient Business Model and Low Labour Costs;
- Quality Assurance & Control

For a detailed discussion on the qualitative factors which form the basis for computing the price, please refer to Section titled “**Our Business**” beginning on page no. 127 of this draft prospectus.

### QUANTITATIVE FACTORS

Our Company was incorporated as ‘Dharni Online Services Private Limited’ on November 12, 2015 as a private limited company under the Companies Act, 2013 with the Registrar of Companies, Bangalore, Karnataka. Subsequently the name of our company was changed to “Dharni Capital Services Private Limited” on March 28, 2022 with certificate of Incorporation pursuant to change of name issued by Registrar of Companies, Bangalore, Karnataka. Pursuant to a special resolution passed by our shareholders in the extra-ordinary general meeting held on April 26, 2022, our Company was converted from a private limited company to public limited company and consequently, the name of our Company was changed to ‘Dharni Capital Services Limited’, and a fresh certificate of incorporation dated 17.05.2022 was issued to our Company by the Registrar of Companies, Bangalore, Karnataka. The corporate identification number of our Company is U74120KA2015PTC084050.

The information presented in this section is derived from our Company’s restated financial statements prepared in accordance with Indian GAAP, the Companies Act and Restated in accordance with SEBI (ICDR) Regulations. For details, refer chapter titled “Restated Financial

Statements” beginning on page no. 181 of this draft prospectus. Some of the quantitative factors, which form the basis for computing the price, are as follows:

### **BASIC EARNINGS AND DILUTED EARNINGS PER EQUITY SHARE (EPS) AS PER ACCOUNTING STANDARD 20**

**As per Financial Statements as Restated (Pre-Bonus):**

(in ₹)			
Period	Basic EPS	Diluted EPS	Weight
March 31, 2020	1.34	1.34	1
March 31, 2021	15.26	15.26	2
March 31, 2022	44.71	44.71	3
<b>Weighted Average</b>	<b>27.66</b>	<b>27.66</b>	

*Notes:*

*The Ratios have been computed as below;*

Basic Earnings per Share (₹) =  $\frac{\text{Net profit/ (loss) as restated, attributable to Equity Shareholders}}{\text{Weighted average number of Equity Shares outstanding during the year/period}}$

Diluted Basic Earnings per Share (₹) =  $\frac{\text{Net profit/ (loss) as restated, attributable to Equity Shareholders}}{\text{Weighted average number of Diluted Equity Shares outstanding during the year/period}}$

Weighted average number of Diluted Equity Shares outstanding during the year/period

*Weighted average number of Equity Shares are the number of Equity Shares outstanding at the beginning of the year adjusted by the number of Equity Shares issued during year multiplied by the time weighing factor.*

*The time weighing factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year.*

*The figures disclosed above are based on the restated financial statements of the Company.*

*The face value of each Equity Share is ₹1.00.*

### **PRICE / EARNINGS RATIO (P/E) IN RELATION TO THE ISSUE PRICE OF ₹ [●] PER EQUITY SHARE OF ₹1.00 EACH**

Particulars	P/E Ratio
Based on basic EPS for year ended March 31,2020	[●]
Based on diluted EPS for year ended March 31,2021	[●]
P/E ratio based on the Basic & Diluted EPS, as at March 31, 2022	[●]
P/E ratio based on weighted average EPS	[●]

*Note: The same shall be updated once IPO price is finalised and updated in the Prospectus prior to opening the issue.*

#### INDUSTRY PRICE / EARNING (P/E) RATIO

Particulars	Industry P/E
Highest	39.38
Lowest	10.31
Average	26.49

Note:

The industry high and low has been considered from the industry peer set provided later in this chapter. The industry composite has been calculated as the arithmetic average P/E of the industry peer set disclosed in this section.

#### RETURN ON NET WORTH (RONW)

Year ended	RoNW(%)	Weight
March 31, 2020	-32.60	1
March 31, 2021	136.74	2
March 31, 2022	42.60	3
Weighted Average	61.44	

Note: Return on Net worth has been calculated as per the following formula:

$$\text{RONW} = \frac{\text{Net profit/loss after tax as restated}}{\text{Net worth excluding revaluation reserve}}$$

Net Worth is computed as the sum of the aggregate of paid-up equity share capital, all reserves created out of the profits, securities premium account received in respect of equity shares and debit or credit balance of profit and loss account. It may be noted that equity component of financial instruments is excluded while calculating Networth of the Company.

#### NET ASSET VALUE (NAV) PER EQUITY SHARE

Particulars	NAV per share (₹)
March 31, 2020	-4.11
March 31, 2021	11.16
March 31, 2022	1.51
Net Asset Value per Equity Share after the Issue at Issue Price	[●]
Issue price per equity shares*	[●]

\* Issue Price shall be updated in the Prospectus prior to opening the issue.

Note:

a) Net Asset Value has been calculated as per the following formula:

$$\text{b) NAV} = \frac{\text{Net worth excluding preference share capital and revaluation reserve}}{\text{Outstanding number of Equity shares at the end of the year/period}}$$

c) Networth is computed as the sum of the aggregate of paid-up equity share capital, all reserves created out of the profits, securities premium account received in respect of equity shares and debit or credit balance of profit and loss account. It may be noted that equity component of financial instruments is excluded while calculating Networth of the Company.

### COMPARISON OF ACCOUNTING RATIOS WITH INDUSTRY PEERS

The following peer group has been determined on the basis of companies listed on Indian stock exchanges, whose business profile is comparable to our businesses:

Name of the Company	CMP (as on July 12, 2022)	EPS (₹)		Face Value (₹)	P/E Ratio	RoNW (%)	NAV Per Share	Total Income (₹ in Lakhs)
		Basic	Diluted					
Dharni Capital Services Limited	[•]	3.66	3.66	1	[•]	42.60%	1.51	96.58
<b>Peer Group</b>								
IIFL Wealth Management Ltd	1598	65.41	64.1	2	24.43	19.28%	337.96	2,07,783.22
ICICI Securities Ltd	442	42.86	42.69	5	10.31	56.91%	75.31	3,43,848.00
Central Depository Services (India) Ltd	1126	29.78	29.78	10	37.81	28.48%	104.50	60,589.96
Computer Age Management Services Ltd	2313	58.73	58.41	10	39.38	47.77%	123.71	92,694.19
HDFC Asset Management Company Ltd	1914	65.36	65.31	5	29.28	25.19%	258.68	2,43,320.00
Nippon Life India Asset Management Ltd	291	12	11.8	10	24.25	21.39%	55.93	1,30,664.00
UTI Asset Management Company Ltd	668	42.12	41.96	10	15.86	14.81%	284.05	1,32,727.00
Anand Rathi	650	30.49	30.36	5	21.32	36.92%	82.66	41,748.51



Wealth Ltd								
Prudent Corporate Advisory Services Ltd^	499	13.94	13.94	5	35.80	26.82%	51.88	32,799.80

*\*Source: All the financial information for listed industry peers mentioned above is on a consolidated basis (unless otherwise available only on standalone basis) and is sourced from the filings made with stock exchanges, available on [www.bseindia.com](http://www.bseindia.com) for the Financial Year ending March 31, 2022*

*Source for Dharni Capital Services Limited: Based on the Restated Financial Statements for the year ended March 31, 2022. P/E Ratio shall be computed at the Issue Price.*

**Notes:**

- Considering the nature and size of business of the Company, the peers are not strictly comparable. However, above Companies have been included for broad comparison;
- Current Market Price (CMP) is the closing prices of respective scripts as on 12<sup>th</sup> July 2022;
- P/E Ratio has been computed based on the closing market price of equity shares on 12<sup>th</sup> July 2022, divided by the Basic EPS;
- RoNW is computed as net profit after tax attributable to equity shareholders divided by net worth as at March 31, 2022;
- NAV is computed as the closing net worth divided by the closing outstanding number of equity shares.

**THE ISSUE PRICE IS [●] TIMES OF THE FACE VALUE OF THE EQUITY SHARES**

The Company in consultation with the Lead Manager believes that the Issue price of ₹ [●] per share for the Public Issue is justified in view of the above parameters. The investors may also want to peruse the Risk Factors and Financials of the Company including important profitability and return ratios, as set out in the Financial Statements included in this Draft Prospectus to have more informed view about the investment proposition. The Face Value of the Equity Shares is ₹ 1 per share and the Issue Price is [●] times of the face value i.e. ₹ [●] per share.

## STATEMENT OF POSSIBLE TAX BENEFITS

To,  
**The Board of Directors**  
**Dharni Capital Services Limited**  
226, Brigade Metropolis Arcade,  
Whitefield Main Road, Garudachapal,  
Bangalore 560 048, Karnataka, India

**Re: Proposed initial public offering of equity shares (the “Equity Shares”) of Dharni Capital Services Limited (the “Company” and such initial public offering, the “Offer”)**

Dear Sir/Ma’am,

We, B S D & Co., Chartered Accountants, hereby confirm that the enclosed Annexure I states the possible special tax benefits available to the Company and to its shareholders (the “Statement”), under direct and indirect taxes (together “the Tax Laws”), presently in force in India. These possible special tax benefits are dependent on the Company and its shareholders fulfilling the conditions prescribed under the relevant provisions of the Tax Laws. Hence, the ability of the Company and its shareholders to derive these possible special tax benefits is dependent upon their fulfilling such conditions, which is based on business imperatives the Company may face in the future and accordingly, the Company and its shareholders may or may not choose to fulfill such conditions.

The benefits discussed in the enclosed **Annexure 1** and **Annexure 2** are not exhaustive and cover the possible special tax benefits available to the Company and its shareholders and do not cover any general tax benefits available to them. The Statement is only intended to provide general information to 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 his or her or its own tax consultant with respect to the specific tax implications arising out of their participation in the proposed Offer, particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the possible special tax benefits, which an investor can avail. Neither do we suggest nor do we advise the investors to invest money based on this Statement.

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

- i) the Company and its shareholders will continue to obtain these possible special tax benefits in future; or
- ii) the conditions prescribed for availing the possible special tax benefits where applicable, have been/would be met with, or

iii) the revenue authorities will concur with the views expressed herein.

The contents of the enclosed Annexure 1 & 2 are based on the information, explanation and representations obtained from the Company, and on the basis of our understanding of the business activities and operations of the Company.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

We confirm that the information in this certificate is true and correct and there is no untrue statement or omission which would render the contents of this certificate misleading in its form or context.

This certificate is for information and for inclusion (in part or full) in the draft prospectus and/or the prospectus to be filed in relation to the Offer or any other Offer related material, and may be relied upon by the Company, the Lead Manager. We hereby consent to the submission of this certificate as may be necessary to the Securities and Exchange Board of India, the relevant Registrar of Companies and the Stock Exchange.

**For, B S D & Co.**  
**Chartered Accountants**  
**FRN: 000312S**

**Rishav Saraf**  
(Partner)  
**M. No. 230591**  
**UDIN: 22230591AQJDYW1900**

**Date: 30-08-2022**

**Place: Bengaluru**

**Encl.:**

Annexure 1 & 2: Statement of possible special tax benefits available to the Company and to the shareholders of the Company under applicable Direct and Indirect Tax Laws respectively.

## **ANNEXURE 1**

### **STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO DHARNI CAPITAL SERVICES LIMITED (THE “COMPANY” AND SUCH INITIAL PUBLIC OFFERING, THE “OFFER”)**

#### **I. UNDER INCOME TAX – ACT, 1961 (herein after referred to as ‘the Act’)**

##### **1. Special tax benefits available to the Company under the Act**

There are no special tax benefits available to the Company.

##### **2. Special tax benefits available to the shareholders under the Act**

There are no special tax benefits available to the shareholders of the Company.

#### **Notes:**

- a) The above Statement sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.
- b) The above statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.
- c) The above statement of tax law benefits is as per the current direct tax laws relevant for the assessment year 2022-23.
- d) This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/ her investment in the shares of the Company.
- e) In respect of non-residents, the tax rates and consequent taxation will be further subject to any benefits available under the relevant DTAA, if any, between India and the country in which the non-resident has fiscal domicile.
- f) No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

## ANNEXURE 2

### **STATEMENT OF INDIRECT TAX BENEFITS AVAILABLE TO DHARNI CAPITAL SERVICES LIMITED (THE “COMPANY” AND SUCH INITIAL PUBLIC OFFERING, THE “OFFER”)**

**I. THE CENTRAL GOODS AND SERVICES TAX ACT, 2017/ THE INTEGRATED GOODS AND SERVICES TAX ACT, 2017(“GST ACT”), THE CUSTOMS ACT, 1962(“CUSTOMS ACT”) AND THE CUSTOMS TARIFF ACT, 1975(“TARIFF ACT”)**  
*(collectively referred to as “indirect tax”)*

**1. Special indirect tax benefits available to the Company under the Act**

There are no special indirect tax benefits available to the Company.

**2. Special tax benefits available to the shareholders under the Act**

There are no special indirect tax benefits applicable in the hands of shareholders for investing in the shares of the Company.

**Notes:**

- a) The above Statement is based upon the provisions of the specified indirect tax laws, and judicial interpretation thereof prevailing in the country, as on the date of this Annexure.
- b) The above statement covers only above –mentioned tax law benefits and does not cover any income tax law benefits or benefit under any other law.
- c) This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/ her investment in the shares of the Company.
- d) No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

## SECTION VI – ABOUT THE COMPANY

### INDUSTRY OVERVIEW

*The information in this section includes extracts from publicly available information, data and statistics and has been derived from various government publications and industry sources. Neither we, the Lead Managers or any of our or their respective affiliates or advisors nor any other person connected with Issue have verified this information. The data may have been re-classified by us for the purposes of presentation. The information may not be consistent with other information compiled by third parties within or outside India. Industry sources and publications generally state that the information contained therein has been obtained from sources it believes to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed, and their reliability cannot be assured. Industry and government publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry and government sources and publications may also base their information on estimates, forecasts and assumptions which may prove to be incorrect. Before deciding to invest in the Equity Shares, prospective investors should read this entire Draft Prospectus, including the information in the sections "Risk Factors" and "Restated Financial Statements" on pages 31 and 181 respectively. An investment in the Equity Shares involves a high degree of risk. For a discussion of certain risks in connection with an investment in the Equity Shares, please see the section 'Risk Factors' on page 31 Accordingly, investment decisions should not be based on such information.*

Our Company falls under the Financial Sector and further under the Financial Service Industry. The analysis of the Sector and Industry may be approached by analyzing both, the domestic as well as the global markets. The broad view of our Industry shall consist of analysis of the Financial Sector at the preface followed by the Financial Service Industry.

### GLOBAL ECONOMIC OVERVIEW

The global economy entered 2022 in a weaker position than previous expectations. As the Omicron COVID-19 variant was more transmissible, many countries re-imposed mobility restrictions. Russia Ukraine War, rising energy prices and supply disruptions have resulted in higher and more broad-based inflation than anticipated.

Global growth is expected to moderate from 5.9 in 2021 to 4.4 percent in 2022 half a percentage point lower for 2022 than in the October 2021 World Economic Outlook (WEO).

The emergence of new COVID-19 variants could prolong the pandemic and induce renewed economic disruptions. Moreover, supply chain disruptions, energy price volatility, and localized wage pressures mean uncertainty around inflation and policy paths is high. As economies lift policy rates, risks to financial stability and emerging market and developing economies' capital flows, currencies, and fiscal positions especially with debt levels having increased significantly in the past two years may emerge. Other global risks may crystallize as geopolitical tensions remain high.

In this context, international cooperation will be essential to preserve access to liquidity and expedite orderly debt restructurings where needed.

The war in Ukraine has triggered a costly humanitarian crisis that demands a peaceful resolution. At the same time, economic damage from the conflict will contribute to a significant slowdown in global growth in 2022 and add to inflation. Fuel and food prices have increased rapidly, hitting vulnerable populations in low-income countries hardest.

## INDIAN OUTLOOK

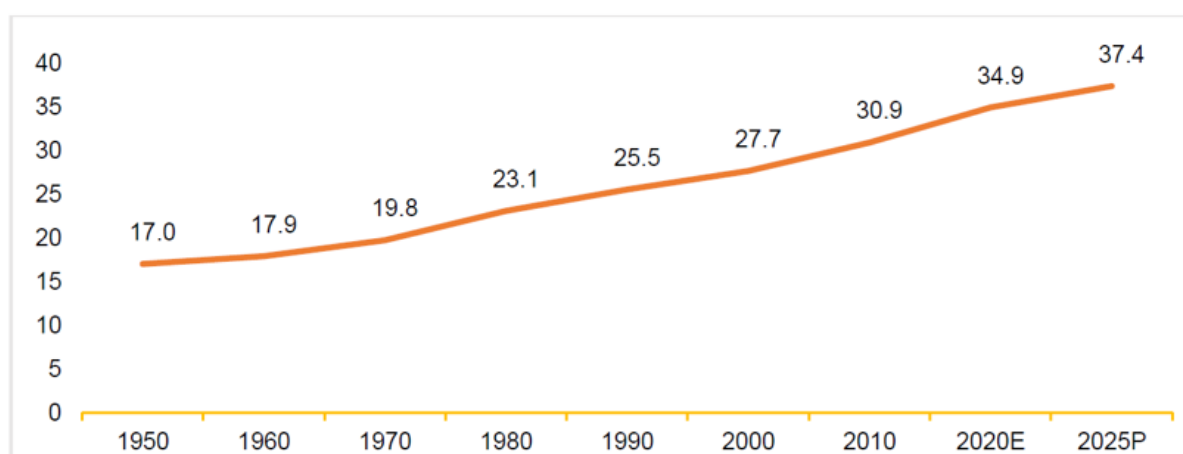
Post COVID-19, India is on strong recovery track and country's GDP growth rate is projected at approximately 9% per annum in real terms during 2020-2025, highest among the larger economy leading to India becoming a US\$ 4.2 trillion economy by 2025.

As per IMF estimates, India's per capita income (at constant prices) is expected to grow at 6.2% compound annual growth rate (CAGR) from Fiscals 2022-25.

As per World Economic Forum estimates, India is likely to be the third largest consumer market by 2030 driven by development of communication infrastructure, education, rising impetus on capex spends by the Government, and more job opportunities. The private consumption is expected to increase from US\$ 1.6 trillion in 2019 to US\$ 2-2.5 trillion in 2025.

The country's urban population has been rising consistently over the decades. As per the 2018 revision of World Urbanization prospects, urban population was estimated at 34% for India but now it is expected to reach 37% by 2025.

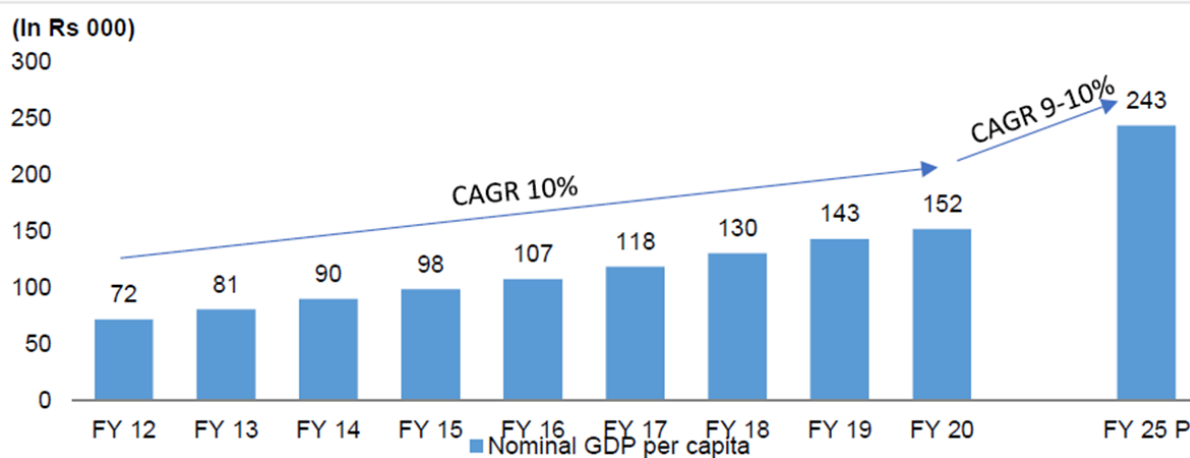
### Increasing urban population



Source: Census 2011, World Urbanization Prospects : Revision (UN)The 2018

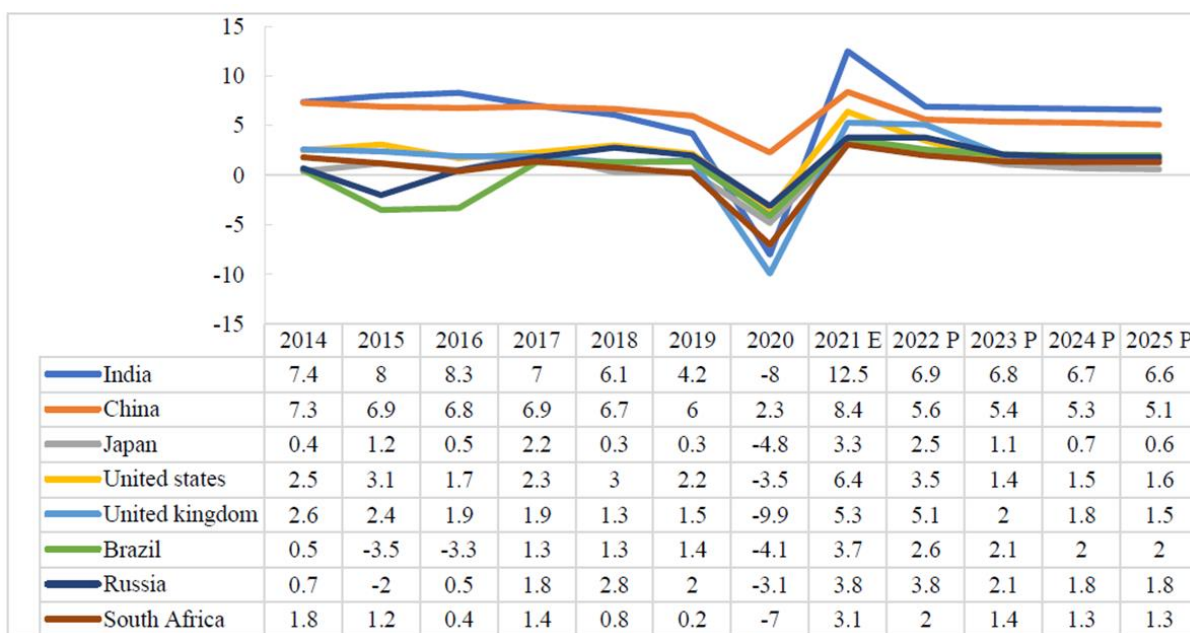


### Growth Projection of Indian GDP per capita



Source: MOSPI, World Bank

### Indian GDP compared with other global economies



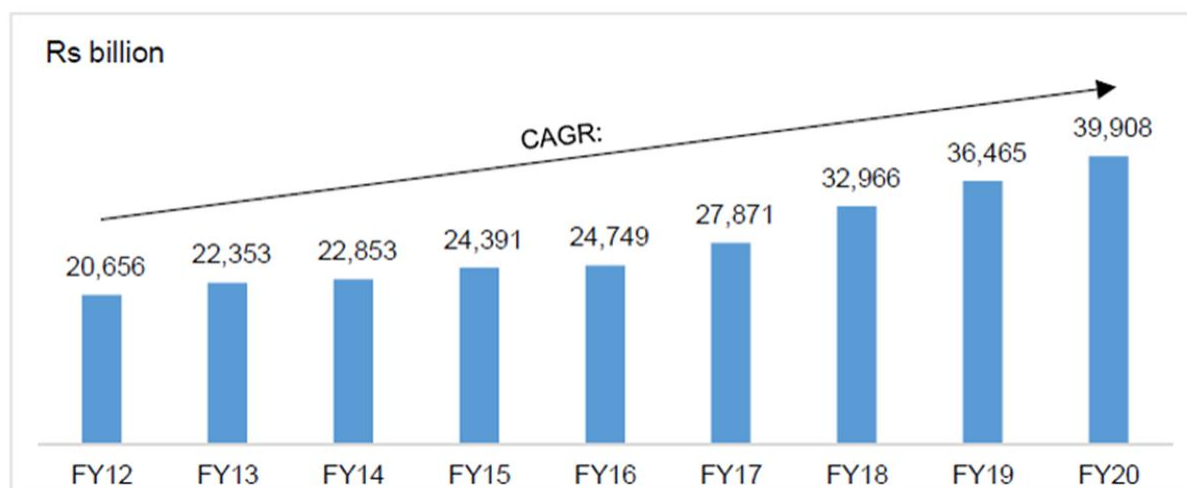
Source: IMF (World Economic Outlook – April 2021 Update )

The rural economy is far more resilient today due to two consecutive years of good monsoon, increased spends under the Mahatma Gandhi National Rural Employment Guarantee Act (“MNREGA”) and irrigation projects, DBT, the PM-Kisan, the PM Ujjwala Yojana for cooking gas, the PM Awas Yojana for housing, and the Ayushman Bharat scheme for healthcare.

The government is also focussing on rural infrastructure, such as electricity and roads. These steps have led to lesser leakages and higher incomes in the hands of the rural populace, thereby enhancing their ability and willingness to spend on discretionary products and services.

According to the World Bank's Global Findex Database 2017, the global average of adult population with an account (with a bank, financial institution, or mobile money providers) was ~69% in 2017. India's financial inclusion has improved significantly in the past three years, with the adult population with bank accounts rising from 53% (as per Global Findex Database 2014) to 80% in 2017.

Household Savings has continually grown since last 9 years

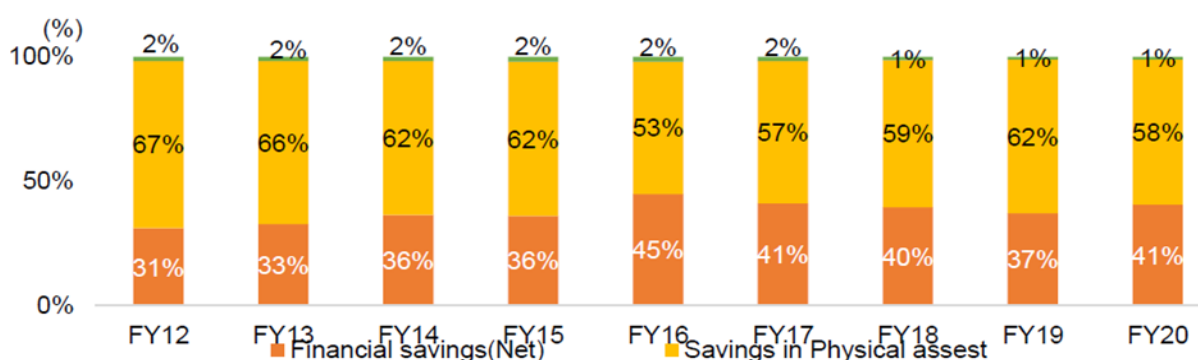


Source: MOSPI

The financial market in India is expected to continue growing at a healthy pace owing to strong demand and supply-side drivers, such as expected growth of the Indian economy, increasing urbanisation, rising consumerism because of higher per capita incomes, and favourable changes, thereby indicating market growth potential for established financial service providers in India.

While household savings in physical assets declined to 58% in fiscal 2020 from 67% in fiscal 2012, financial savings grew to 41% in fiscal 2020 from 31% in fiscal 2012. Along with an increase in financial literacy, the relative outperformance of financial assets over recent years, and the government's efforts to fight the shadow economy, we expect the share of financial assets as a proportion of net household savings to increase over the next five years. The rise in financial assets will further boost the investment under mutual funds.

Distribution of savings



Source: Handbook of Statistics on Indian Economy 2018-19, RBI, MOSPI

The share of mutual funds in overall household savings has risen steadily since fiscal 2013, and stood at 2.7% in fiscal 2019. However, the share declined in fiscal 2020. With the financial sector being particularly sensitive to improved economic conditions, and given the expected changes in saving patterns, Industry expects an increase in the share of financial assets – direct and through mutual funds and insurance – in total financial savings.

#### Share of savings in shares, Mutual funds & deposits

(₹ billion)	March 2013	March 2014	March 2015	March 2016	March 2017	March 2018	March 2019	March 2020
Gross financial household savings	10,640	11,908	12,572	14,962	16,147	20,564	21,341	22,846
Currency	1,115	995	1,333	2,005	-3,329	4,847	2,779	2,826
Deposits	6,062	6,670	6,124	6,445	9,778	5,252	8,143	8,697
With Banks	5,339	5,986	5,390	5,666	8,707	5,057	7,287	7,688
Shares and debentures	170	189	204	284	1,745	1,774	790	774
Mutual funds	82	150	145	189	1,510	1,382	576	444
As % of overall gross financial household savings	0.8%	1.3%	1.2%	1.3%	9.3%	6.7%	2.7%	1.9%
Insurance funds	1,799	2,045	2,993	2,642	3,543	3,440	3,588	3,178
Provident and pension funds	1,565	1,778	1,909	2,907	3,255	3,694	3,977	4,655
Others	-71	231	10	679	1,155	1,557	2,064	2,715

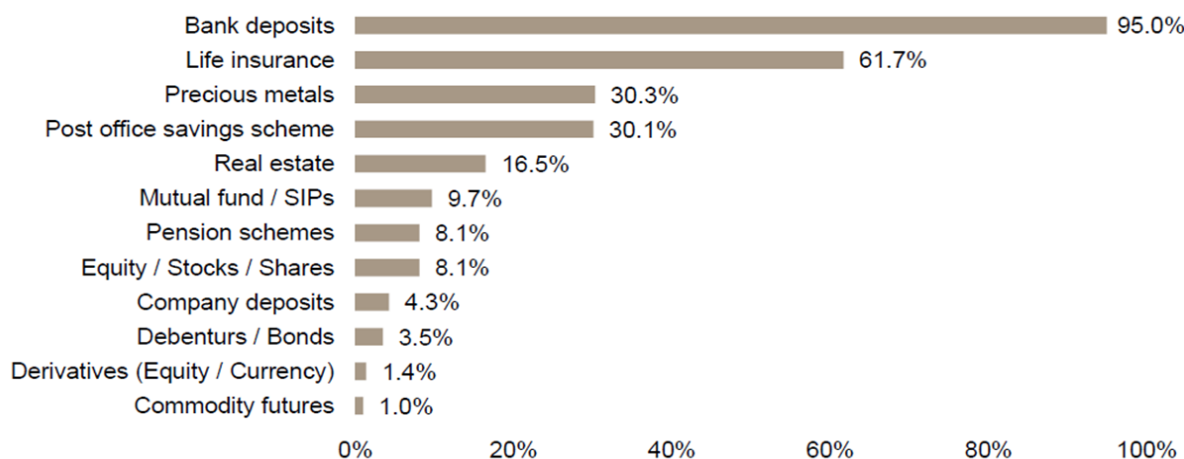
Source: National Account Statistics 2020, MOSPI, RBI

Overall, the financial market in India is expected to continue growing at a healthy pace owing to strong demand and supply-side drivers, such as expected growth of the Indian economy, increasing urbanization, rising consumerism because of higher per capita incomes, and favorable changes, thereby indicating market growth potential for established financial service providers in India.

#### **Financial inclusion**

The low mutual fund penetration in the country is largely due to the lack of awareness about this investment vehicle. The SEBI's investor awareness survey of 2015 showed that mutual funds/ SIPs were used by only 10% of the respondents as investment and saving avenues.

#### Share of savings



Source: SEBI Investor Awareness Survey, 2015

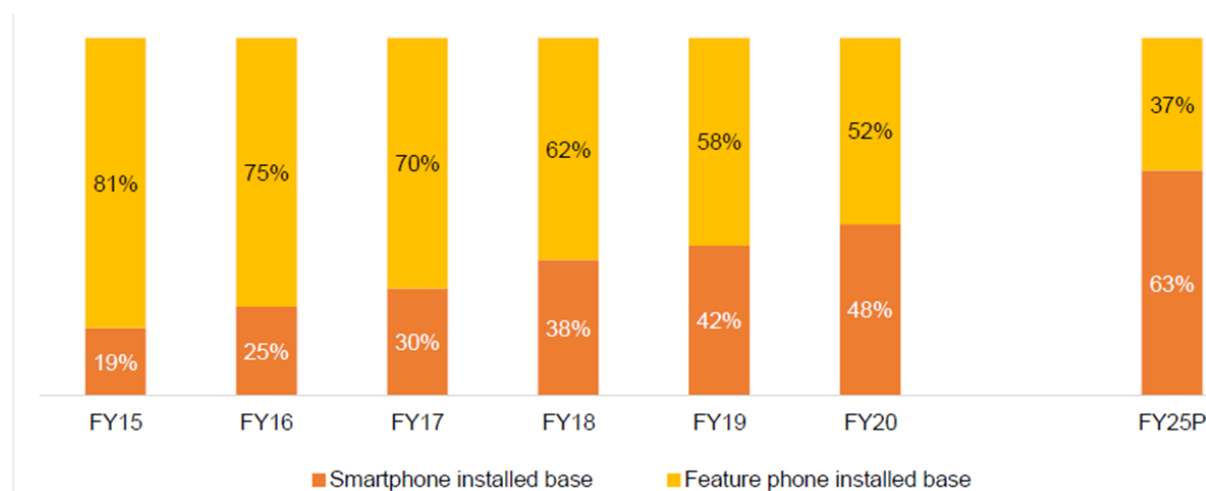
According to the National Financial Literacy and Inclusion Survey (“NCFE-FLIS”) 2019, only 27% of Indian population is financially literate indicating huge gap and potential for financial services industry.

Technology is expected to play an important role by progressively reducing the cost of reaching out to smaller markets. India has seen a tremendous rise in adoption of financial technology (“**fintech**”) in the past few years.

Over the last decade, India added 500 million+ new smartphone users. With higher affordability, reducing smartphone costs (average smartphone cost being less than US\$ 150) and availability of greater variety of value smartphones, the number of smartphone users expected to reach 800-850 million in FY 2026, representing more than 55% of total population and 80% of internet users.

In FY 2021, 650 - 700 million Indians had access to the internet and the number is expected to increase to over 950-1,000 million by FY 2026 representing more than 70% of the total population, this is primarily driven by increasing smartphone penetration, reducing data cost, new technology innovations and Government’s push towards digitization.

#### Data savvy and younger users to drive adoption of smartphones



Source: Company Research

## INDIAN FINANCIAL SERVICES SECTOR

Financial services system plays a crucial role in the economic development of a country. It allows efficient flow of savings and investments, managing credit requirement of businesses. Financial services have the ability to give support for growth of a new business access to capital and returns on savings.

India has a diversified financial sector undergoing rapid expansion, both in terms of strong growth of existing financial services firms and new entities entering the market. The sector comprises commercial banks, insurance companies, non-banking financial companies, co-operatives, pension funds, mutual funds and other smaller financial entities.

Indian equities have seen a strong growth with major indices such as NIFTY 50 and Sensex generating a CAGR of ~10% between FY 2015-2021. Market analysts remain bullish for Indian equities in the long-term owing to macroeconomic factors and growth.

The market participation has also been on the rise with the number of demat accounts rising at the rate of ~15% CAGR between FY 2015-FY 2021. COVID-19 accelerated the growth further with ~14 million new demat accounts opened in FY 2021, a ~35% rise in a year.

India is significantly under penetrated across various financial services products which provides huge opportunity for players to grow across various sub segments such as lending, insurance, wealth management etc.

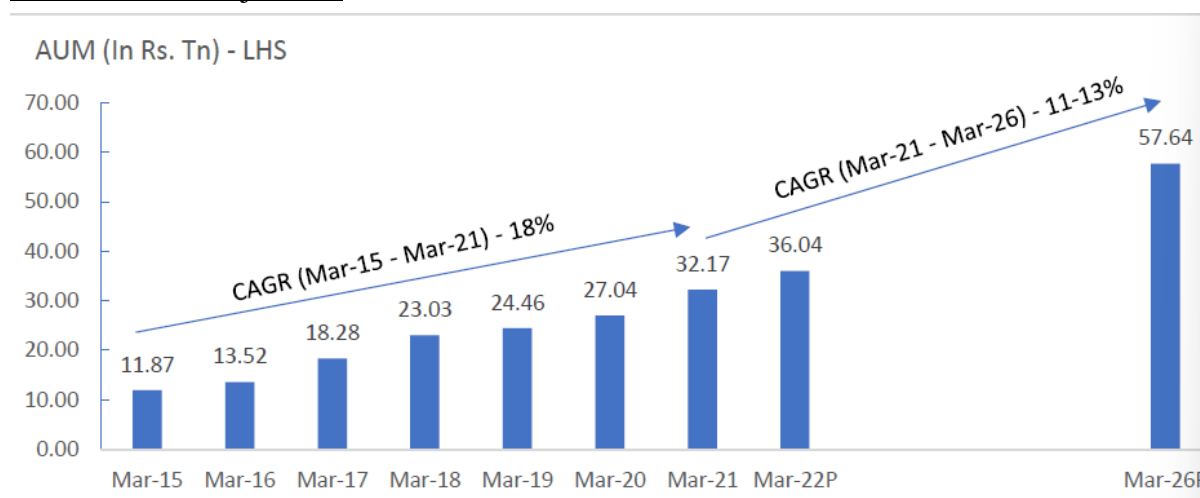
### Mutual Fund Industry

The Indian mutual fund industry has a history of over 50 years, starting with the passing of an Act for the formation of the Unit Trust of India (“UTI”), a joint initiative of the Government of India and the RBI in 1963. SBI Mutual Fund was set up in June 1987 as second mutual fund, followed by the launch of Canbank Mutual Fund in December 1987 and so on.

Mutual fund AUM as a percentage of GDP has grown from 4.3% in the financial year 2002 to approximately 16% in the 2020, still penetration levels are well below those in other developed and fast-growing countries.

Overall mutual fund AUM in India, for individual investors is expected to reach ~ US\$ 500 billion by FY 2026 which was at ~US\$ 224 billion in FY 2021. Digital channels as a mode of investment have picked up pace rapidly contributing 55%-65% of all incremental mutual fund purchases in FY 2021 and is expected to drive 70%-75% of all incremental purchases by FY 2026.

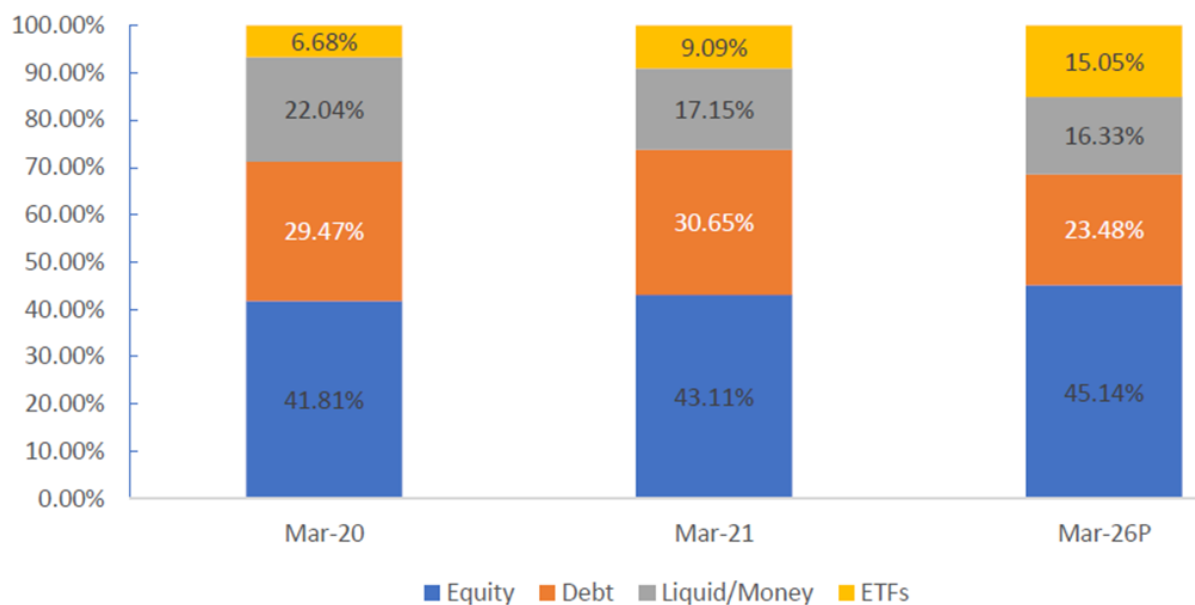
### AUM Growth Projections



Source: AMFI

Overall industry's AUM is projected to sustain a high growth trajectory of 11-13% CAGR, reaching ₹ 57 trillion.

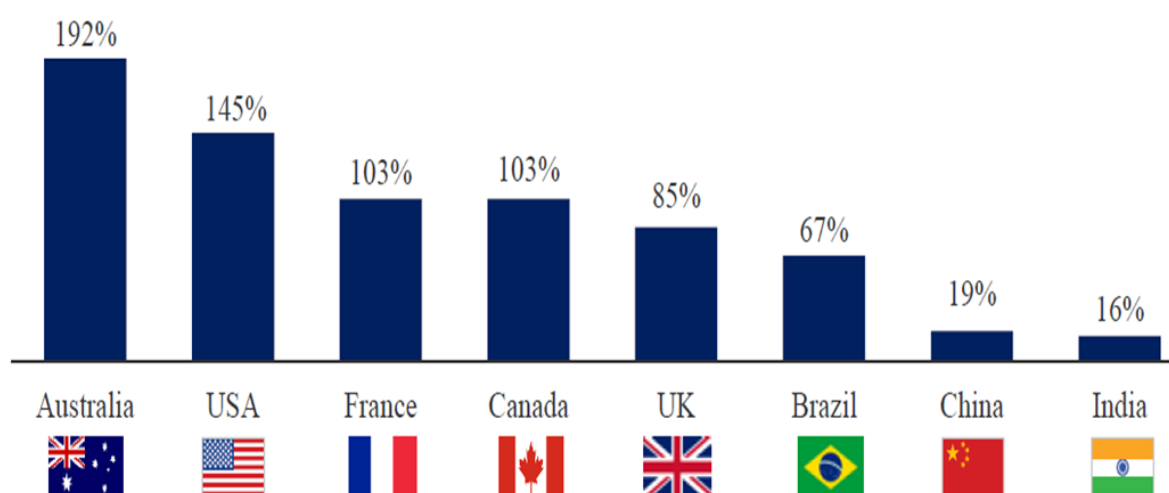
#### Future trend in mutual fund segments



Source: AMFI

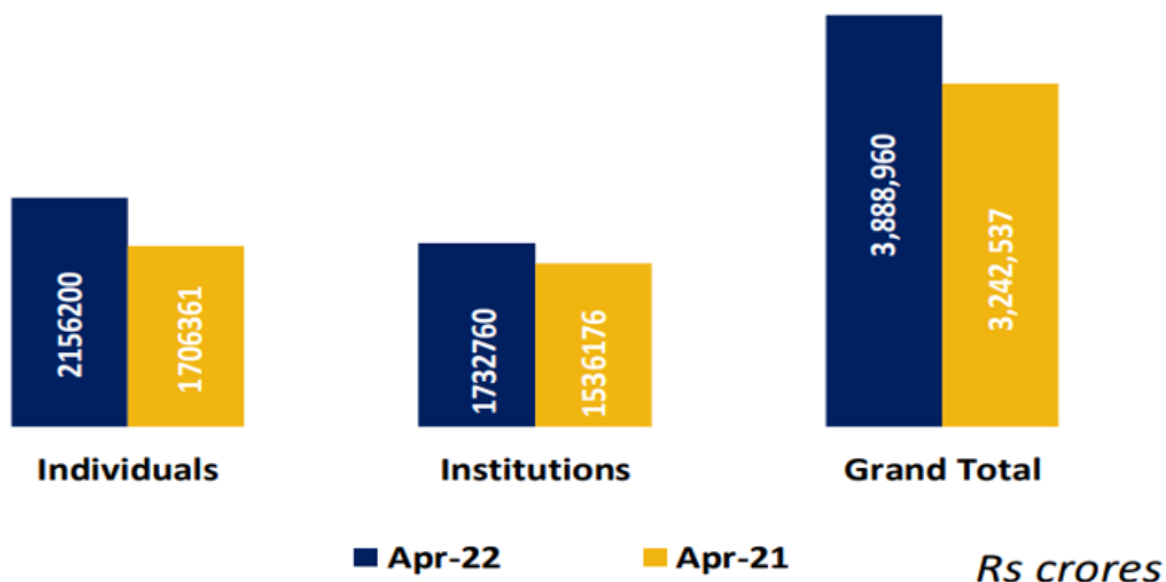
#### Mutual Fund AUM/GDP Ratio:

% of GDP, 2020E



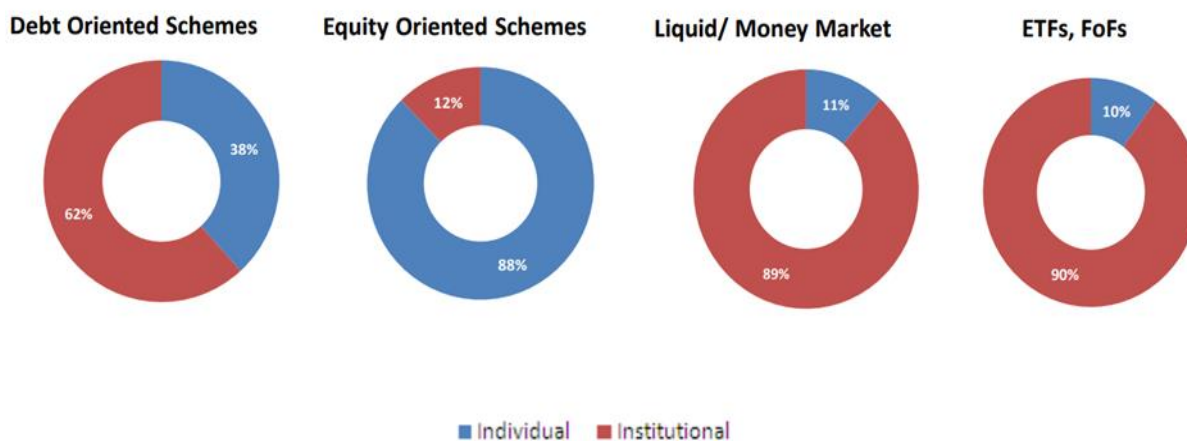
Source: Company Research

### Share of Individual & Institutional Investors in Mutual Fund Industry in Crore Rupees in India



Source: Company Research

### Investor Categories Across Scheme Types



Source: AMFI

Equity-oriented schemes derive 88% of their assets from individual investors (Retail + HNI). Institutional investors dominate liquid and money market schemes (89%), debt-oriented schemes (62%) and ETFs, FOFs (90%).



## **Retirement Planning**

Retirement planning is an untapped market in India. If channeled through mutual funds, it has the potential to significantly improve penetration among households. EPFO's move to invest 15% of its fresh accretion into ETFs has boosted the industry. This illustrates how mutual funds can be promoted as a vehicle for retirement planning in India. The substantial proportion of young population offers huge potential for this.

## **Financial Planning**

During FY 2012-FY 2020 Indian household savings have grown at CAGR of 7.6% of which majority component goes to physical assets such as real estate, gold etc. in form of investments. Investments towards financial products such as equity, mutual fund is relatively low, forming 41% of total household savings in FY 2020. Gold has historically been used as a hedge against inflation, and it continues to be part of the investment portfolio to mitigate financial risks during inflation, economic, social and geopolitical crises.

Over the past five years, the industry has seen significant growth, with the market becoming more mature, an increase in the number of HNIs, greater need for customised asset allocation based on risk-return profiling, and growing awareness of financial planning. Most investors with an investible surplus have no exposure to capital markets owing to lack of comfort, low risk appetite and availability of other products such as fixed deposit offering single digit return. India remains significantly underpenetrated market with only 3% of total population participating in equity as compared to 55% in US and 13% in China.

Over the next 5 years, capital market participants are expected to more than double from the current 40 Mn and investment in Indian equities and mutual fund is expected to increase by 2.6 times reaching US\$ 1.2 trillion in FY 2026 from US\$ 468 billion in FY 2021.

The key driving factors for the growth will be:

- Digital first platforms to drive accessibility and penetration within tier 2+ cities.
- Digital native millennials to be the power users of wealth tech apps.
- Growing investible surplus and falling returns on traditional asset classes.

## **Real Estate**

Real Estate Investment Trust (REIT) platform will allow all kind of investors to invest in the Indian real estate market. It would create an opportunity worth ₹1.25 trillion (US\$ 19.65 billion) in the Indian market in the coming years. Responding to an increasingly well-informed consumer base and bearing in mind the aspect of globalization, Indian real estate developers have shifted gears and accepted fresh challenges.

In the first-half of 2021, India registered investments worth US\$ 2.4 billion into real estate assets, a growth of 52% YoY.

### **KEY DRIVERS FOR GROWTH OF FINANCE INDUSTRY**

- Tax benefits given to ELSS scheme investors.
- Increased Provident Fund investing.
- Widespread access to technology & cheaper internet services will push financial firms reach to remote areas.
- SIP starting from smallest amount of 100 Rupees.
- E verification & KYC reducing hurdles further.
- Increasing retail participation.
- Corporate tax benefits.

### **KEY RISK AND CHALLENGES**

- Stamp duty on mutual funds
- Downturn or volatility in mutual funds and other market-linked products
- Poor financial literacy in India
- Competition from other financial instruments
- High cost of retail expansion
- Political instability or shift away from the pro-growth policy

### **ROAD AHEAD /VALUE DRIVERS**

India's gross domestic product (GDP) is expected to reach US\$ 6 trillion by FY27 and achieve upper-middle income status on the back of digitization, globalization, favorable demographics, and reforms.

India is expected to be the fourth largest private wealth market globally by 2028 and is today one of the most vibrant global economies on the back of robust Securities Market, Banking and Mutual Fund sectors.

The Association of Mutual Funds in India (AMFI) is also targeting nearly three -fold growth in AUM to ₹ 95 trillion (US\$ 1.30 trillion) and more than three times growth in investor accounts to 130 million by 2025.

Other factors which will drive growth & support financial sector:

India is also focusing on renewable sources to generate energy. It is planning to achieve 40 per cent of its energy from non-fossil sources by 2030 which is currently 30 per cent and also have plans to increase its renewable energy capacity from to 175 GW by 2022.

India is expected to be the third largest consumer economy as its consumption may triple to US\$ 4 trillion by 2025, owing to shift in consumer behaviour and expenditure pattern, according to a Boston Consulting Group (BCG) report; and is estimated to surpass USA to become the second largest economy in terms of purchasing power parity (PPP) by the year 2040, according to a report by Price Waterhouse Coopers.

## OUR BUSINESS

*The following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in this Draft Prospectus, including the information contained in “Risk Factors”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Restated Financial Statements” on page 31, 218 and 181 respectively of this Draft Prospectus. The financial figures used in this section, unless otherwise stated, have been derived from our Company’s restated audited financial statements. Further, all references to “Share India Securities Limited.”, ‘the Company’, ‘our Company’ and terms ‘we’, ‘us’ and ‘our’, are to Dharni Capital Services Limited.*

### OVERVIEW

Our Company was incorporated as ‘Dharni Online Services Private Limited’ in 2015 as a private limited company under the Companies Act, 2013 with the Registrar of Companies, Bangalore, Karnataka. Further it was changed to ‘Dharni Capital Services Private Limited’ and subsequently pursuant to a resolution passed by our shareholders, our Company was converted to public limited company and the name was changed to ‘Dharni Capital Services Limited’.

We offer diversified financial services such as Mutual Fund Distribution Services, Fixed Deposit Distribution Services, Real Estate Brokerage Services, Technical Consultancy and Outsourcing. The modus operandi is to counsel individual clients, understand their profile, needs and concerns, build customized financial investment portfolios, offer a comprehensive selection of investment alternatives that will suit their financial goals. We offer a technology enabled, comprehensive investment and financial services platform with end-to-end solutions critical for financial products distribution and presence across both online and offline channels. We are a growing Mutual Fund distributor in terms of commission and average asset under managements (AAUM) with a CAGR of 109% and 86% respectively for the three-year period ending Fiscal 2022. The increase in rate of commission is lesser as there was in increase in assets in Debt Mutual fund category, which have a lower commission percentage. We believe we have become an important interface between asset management companies (“AMCs”) and Clients.

Our Company is promoted by Mr. Hemant Dharnidharka and Mrs. Preeti Saraogi since incorporation.

As on March 31, 2022, our assets under management from the mutual fund distribution business (“AUM”) stood at ₹637million with around 80% of our total AUM being debt oriented. Our AUM has increased from ₹ 204mn million as on March 31, 2019 to ₹ 637million as on March 31, 2022, at a CAGR of 46%

The Company holds AMFI Registration number ARN-144504. We are an empaneled distributor with SBI Mutual Fund, HDFC Mutual Fund, ICICI Prudential Mutual Fund, Aditya Birla Sunlife Mutual Fund, Nippon Mutual Fund, Kotak Mutual Fund, UTI Mutual Fund, Axis Mutual Fund and many more.

We are also registered with Karnataka RERA Authority as an Agent and its registration number is PRM/KA/RERA/1251/446/AG/210813/002502. Our company is registered as a Real Estate Broker with large players like Prestige Estate Projects and Embassy Group. Our Company has recently taken the RERA registration. In this dynamic and extremely competitive business environment,

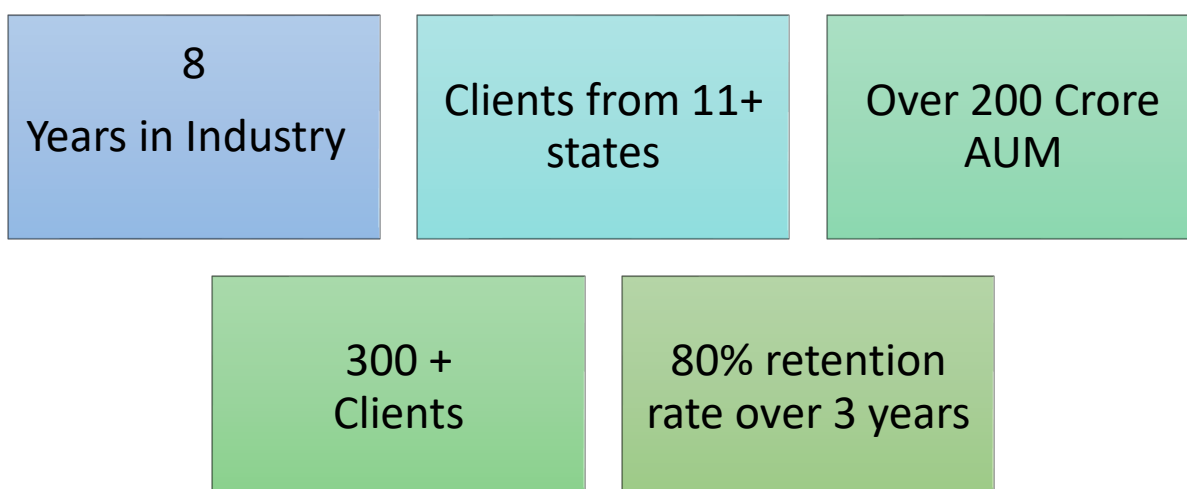
we have developed a strong relationship with various customers. Our team has a combined experience of over 25 years in the Real estate business, with our team members having worked with organizations like Salarpuria Sattva Group, Prestige Estates and Sobha Limited in the past.

Our Company is also empaneled as a Fixed Deposit Broker with pioneers like Shriram Transport Finance Limited, HDFC Limited, ICICI Home Finance Limited and PNB Housing Finance Limited. Our company is one of the top distributors for Shriram Transport Finance company Limited in Karnataka since November 2020. The AUM of the Fixed Deposit Business has grown from nothing in FY 2019 to over 100 Crores as on March 31, 2022.

Over the years, we have witnessed client engagement and experience through digitization of processes and augmentation of technological platforms, our company has its own app, “Dharni Wealth” on Play Store and App Store. The clients of the company can view their portfolios across asset classes on the App. The Mutual Fund portfolios of the clients are updated on a daily basis on the app and the clients have constant access to the app, at their discretion.

Our company provides technical consultancy and outsourcing services. Our company takes projects from the clients and thereafter sub-distributes the same to various professional individuals and organizations. We have a good network of professionals including IIT Graduates, IIM Graduates, Chartered Accountants and other experienced personnel, who deliver these projects to the clients. The invoicing is done by the company in its own name and thereafter appropriate fees is paid to the individual professionals and organizations run by such professionals. The revenue from this vertical of business has increased to 129.35 million for the year ended March, 2022 from 0 million for the year ended March, 2019. The margin from this vertical was around 2.5 % for the year ended March, 2022. This vertical was not existent in 2019, so comparable numbers are not available. For the company’s clients, we act as an assimilator and input quality control organization. For the professionals, we act as the single point of contact for all correspondence regarding getting new clients, invoicing and recovery of money from the client. This allows them to focus on their core competencies, without having to worry about the administration work involved.

Some key metrics of our business as on March, 2022



### Key metrics of our business vertical as on March, 2022

Vertical	Key Metric
Mutual funds	AUM
Fixed Deposit	AUM
Real Estate	Sales Value
Technical Consultancy and Outsourcing	Sales Value

### Our key financial metrics:

(in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Revenue From:</b>			
Distribution of Mutual fund products	42.08	35.97	14.91
% of Total Revenue	2.87%	14.08%	75.38%
Distribution of Fixed deposits	45.07	74.66	0.27
% of Total Revenue	3.08%	29.23%	1.37%
Real Estate Broking	84.63	-	-
% of Total Revenue	5.78%		
Technical Consultancy and Outsourcing	1293.50	140.00	--
% of Total Revenue	88.28%	54.81%	--
Interest Income	3.55	--	0.09
% of Total Revenue	0.24%	--	0.46%
Total Revenue from operations	1465.28	255.41	19.78
Profit before exceptional Items & tax	128.87	19.53	1.04
Profit After Tax	96.58	15.26	1.34

## **OUR BUSINESS STRENGTHS**

### **1. Experienced Promoters and management team**

Our Company is managed by a team of competent personnel having knowledge of core aspects of our Business. Our promoters' viz. Mr. Hemant Dharnidharka and Mrs. Preeti Saraogi with their knowledge and experience are well assisted by Associates, who have helped us to have long term relations with our customers and have also facilitated us to entrench with new customers. We believe that our experience, knowledge and human resources will enable us to drive the business in a successful and profitable manner.

## **2. Diversified yet integrated mix of business.**

Our Company is engaged in the business of Mutual Distribution Services, Fixed Deposits Distribution Services, Real Estate Brokerage Services and Technical Consultancy and Outsourcing which includes Wealth Planning, Retirement Planning, Tax Planning amongst other services. With our wide range of services our company is able to cater to the various demands of all our customers under one roof.

## **3. Long term relationship with the clients**

Our Company believes in maintaining long term relationships with our clients in terms of increased sales. Our dedicated focus on client coverage and our ability to provide timely solutions and faster resolution of customer complaints, if any, has helped us to establish long-term relationships with high networth clients. This key strength has helped us to receive repeat business from our clients. We also believe that because of our timely trade execution, competitive pricing and customer service, we enjoy goodwill amongst our customers.

## **4. Strong Risk Management System**

We have deployed resources in terms of technology, people and processes to manage our risk management function. We have established general risk management procedures for application software, distribution activities and consultancy services. We periodically review and modify such procedures, as necessary or appropriate. These procedures cover our internal control system, customer requirement and risk management of Associates and relationship managers.

## **OUR BUSINESS STRATEGIES**

### **1. Continue to develop client relationships**

We plan to grow our business primarily by growing the number of client relationships, as we believe that increase in client relationships will add stability to our business. We seek to build on existing relationships and also focus on bringing into our portfolio more clients. Our Company believes that business is a by-product of relationship. Our Company believes that a long-term client relationship with large clients fetches better dividends. Long-term relations are built on trust and continuously meeting the requirements of the customers.

### **2. Attract and retain talented employees**

Human Resources are essential for the success of every organization. We constantly intend to continue our focus on providing healthy and comfortable work climate for our Associates. We provide various programs and benefits for the personal well-being and career development. We intend to strive to further reduce the Associate attrition rate and retain more of our associates to facilitate our future expansion by providing them with better and healthier working environment.

### **3. Competitive Pricing**

To remain aggressive and capitalize a good market share, we believe in offering competitive prices to our customers. This helps us to sustain the competition and claim a position of strength in the marketplace.

### **4. Optimize operational efficiencies**

Since the beginning, the thrust of our Company has been in pursuing financially optimised model in every aspect of manpower and installations to enable ourselves to achieve operational efficiencies. We shall continue to invest in technology and related platforms to increase our operational efficiencies. We believe that investment in technology / automation tools can improve staff productivity, enabling our people to handle more transactions / challenges and improve quality of services.

## **OUR LOCATION**

Our office is situated at 226 Brigade Metropolis Arcade, Whitefield Main Road Garudacharpalya, Bangalore, Karnataka – 560048, which is also the registered address of the company.

## **PLANT & MACHINERY & EQUIPMENTS**

The major plant and machineries required for our business is computers and servers. We have adequate number of computer systems commensurate with our current size of operations.

## **CAPACITY AND CAPACITY UTILIZATION**

Our Company does not operate in the nature of a manufacturing concern with a specified installed capacity, so capacity and capacity utilization do not apply to us.

## **EXPORT OBLIGATION**

We do not have any export obligations.

## **RISK MANAGEMENT**

With the increase in the participation by the public in the financial market there is an urgent need to manage risks regarding new financial instruments such as derivatives, currency futures etc. Our Company is dealing in financial services and hence risk management is of utmost importance. We have deployed resources in terms of technology, people and processes to manage our risk management function. We monitor and control our risk exposure through financial, credit, operational, compliance and legal reporting systems based on mandatory regulatory requirements and as per our business needs.



## COMPLIANCE

We have also put in place a compliance structure to address compliance and reputation risk. The compliance officer of the company looks after the matters relating to prevention of Insider trading. The Compliance officer's role is to ensure that the Company operates in accordance with the laws and regulations of the stock exchanges and regulators. The Compliance officer provides support for each of the businesses. The Compliance officer liaison with the regulators and handles all regulatory matters. Compliance officer also ensures that persons connected to our company do not profit by dealing in securities on the basis of unpublished price sensitive information.

## TECHNOLOGY

We recognize the need to have a sophisticated technology network in place to meet our customer needs as well as to maintain a risk management system. Our technology infrastructure is aimed at ensuring that our information systems are reliable and that the client data is protected. Our system is as per the needs of our retail, corporate and HNI clients.

## SALES AND MARKETING

Our Company has been in existence for over 6 years and going forward we intend to continue on our ethos of transparency, quick query resolution and delivery of commitments as an effective part of our Marketing Strategy. We have designed our sales and marketing process keeping these ethos in mind in a two phased approach.

**- Increase business from existing clients:** We intend to leverage our financial expertise and offer our customer's end to end financial planning including mutual fund based investments. We have a dedicated sales team for this purpose and intends to use its customer connectivity to expand operations in products like - mutual funds, fixed deposits, real estate etc.

## COMPETITION

We face competition from other distribution outfits spread throughout the country. Our strengths are our customized services, extensive technical and fundamental support, efficient and reliable risk management systems and more than 20 years of relevant experience including that of the Promoters. We firmly believe that in spite of intense competition, we can create a space for ourselves by offering our clients with all the financial services including real-estate broking, consultancy and outsourcing attractive prices under one roof by offering them with afore-mentioned value added services.

### Business Process

**Mutual Funds Distribution:** We get references from our associates. They refer the clients to us and our team completes the Mutual Fund Sales process. A referral fee / commission is paid to the associates for the referral. The receipts and expenses are of a trail nature and till the time the money remains invested, income is earned and commission payments are made.

**Fixed Deposits:** We get references from our associates. They refer the clients to us and our team completes the Fixed deposit Sales process. A one-time commission is received for any transaction completed by the Company. A one-time referral fee is paid to the associates for the referral.

**Real Estate Business:** We get references from our associates. They refer the clients to us and our team completes the Real Estate Sales. A one-time commission is received from the developers for any transaction completed by the company. A one-time referral fee is paid to the associates for the referral.

**Technical Services -** Our Company provides technical consultancy and outsourcing services. Our Company takes projects from the clients and thereafter sub-distributes the same to various professional individual and organizations. We have a good network of professionals including IIT Graduates, IIM Graduates, Chartered Accountants and other experienced personnel, who deliver these projects to the clients. The invoicing is done by the Company on its own name and thereafter appropriate fees is paid to the individual professionals and organizations owned and run by such professionals. This is a low margin business for the Company.

**Collaborations/Tie Ups/ Joint Ventures:** We have not entered into any technical or financial or any other collaboration agreement as on the date of filing of this Draft Red Herring Prospectus.

**Utilities & Infrastructure:**

- **Power:** Our Company meets its power requirements in our offices from the local electricity supplier and the same is sufficient for our day-to-day functioning.
- **Water:** Our registered office has adequate water supply arrangements for human consumption purpose. The requirements are fully met at the existing premises.
- **Human Resource:** Human resources are an important factor in developing a company's growth strategy and managing day-to-day operations in the organization. We focus on attracting and retaining the best talent possible. Our team is a combination of experienced, professionals. Our company has no employee union. Our qualified resources as well as strong management team have enabled us to successfully execute our growth plans.

As on September 26, 2022, our Company has employed 3 employees.

## PROPERTY

### *Immovable Properties*

The following are the details of the material properties leased/ rented by our Company:

<b>Date of the Agreement</b>	<b>Name of Owner</b>	<b>Area of the Property (in square feet)</b>	<b>Address of the Property</b>	<b>Period of Agreement</b>	<b>Rent (Amount in ₹)</b>	<b>Purpose</b>
July 04, 2022	Mr. Vijay Bhandari & Mrs. Neeru Kochar Bhandari	780 sq ft	226, Brigade Metropolis Arcade, Whitefield Main Road, Garudacharpalya Bangalore – 560048	24 Months	₹ 36,000 Per month rent escalation of 5% in the License Fees after 12 months	Registered Office

## KEY INDUSTRIAL REGULATIONS AND POLICIES

*The following description is a summary of certain sector specific laws and regulations in India, which are applicable to us. The information detailed below has been obtained from various legislations, including rules and regulations promulgated by regulatory bodies, and the bye laws of the respective local authorities that are available in the public domain. The description of the applicable regulations provided below may not be exhaustive and are only intended to provide general information to the Bidders and are neither designed nor intended to substitute for professional legal advice. For details of certain key government approvals obtained by us, please see the section entitled “Government and Other Approvals” on page 236.*

*The statements below are based on the current provisions of Indian law, and the judicial, regulatory and administrative interpretations thereof, which are subject to change or modification by legislative, regulatory, administrative, quasi-judicial or judicial decisions/actions.*

### THE COMPANIES ACT

The consolidation and amendment in the law relating to the Companies Act, 1956 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 mechanism 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 ACT

The main legislation governing the activities in relation to the securities markets in India is the SEBI Act, 1992 (“SEBI Act”) and the rules, regulations and notifications framed thereunder. The SEBI Act was enacted to provide for the establishment of SEBI whose function is to protect the interests of investors and to promote the development of, and to regulate, the securities market. The SEBI Act also provides for the registration and regulation of the function of various market intermediaries including stock brokers, depository participants, merchant bankers, portfolio managers, investment advisers, and research analysts. The SEBI Act was also recently amended vide the Finance Act, 2021 to provide for the registration and regulation of alternative investment funds or business trusts that are defined in clause (13A) of section 2 of the Income-Tax Act, 1961. It has also been clarified that the power of SEBI shall not extend to an International Finance Services Centre set up under sub-section (1) of section 18 of the Special Economic Zones Act, 2005.

Pursuant to the SEBI Act, SEBI has formulated various rules and regulations to govern the functions and working of these intermediaries. SEBI also issues various circulars, notifications and guidelines from time to time in accordance with the powers vested with it under the SEBI

Act. SEBI has the power to impose (i) monetary penalty under the SEBI Act and the regulations made thereunder, and (ii) penalties prescribed under various regulations, including suspending or cancelling the certificate of registration of an intermediary and initiating prosecution under the SEBI Act. Further, SEBI has the power to conduct inspection of all intermediaries in the securities market, including, stock brokers, investment advisers, merchant bankers, underwriters, research analysts, to ensure, amongst others, that the books of account are maintained in the manner required in accordance with applicable law.

## **SEBI REGULATIONS**

### **SEBI Mutual Funds Regulations and AMFI Guidelines**

The SEBI Mutual Funds Regulations govern the law pertaining to the business of mutual funds in India. SEBI has made it mandatory for all mutual funds to appoint agents/distributors who are registered with AMFI. In case of firms/companies, the requirement of certification from National Institute of Securities Markets is made applicable to the persons engaged in sales or distribution of mutual fund products.

AMFI has issued guidelines for intermediaries in consonance with the SEBI Master Circular for Mutual Funds dated August 24, 2020. The primary objective of the AMFI Guidelines is to ensure that mutual fund intermediaries do not use unethical means to sell, market or induce any investor to buy units of their scheme(s) and mobilize funds on the strength of professional fund management and good practices. The AMFI Guidelines are mandatory and all such intermediaries are required to strictly comply with the code of conduct prescribed by AMFI.

## **BUSINESS / TRADE RELATED LAWS / REGULATIONS**

### ***RERA Act, 2016***

The Real Estate (Regulation and Development) Act, 2016 (“**RERA Act**”) was enacted for, among others, regulation and promotion of the real estate sector and to ensure sale of plot, apartment or building, as the case may be, or sale of real estate project, in an efficient and transparent manner and to protect the interest of consumers in the real estate sector and to establish an adjudicating mechanism for speedy dispute redressal and for matters connected therewith or incidental thereto. The RERA Act provides that no real estate agent shall facilitate the sale or purchase of or act on behalf of any person to facilitate the sale or purchase of any plot, apartment or building, as the case may be, in a real estate project or part of it, without obtaining registration under the RERA Act, or unless it is registered with the Real Estate Regulatory Authority. The RERA Act prescribes certain additional duties for real estate agents such as maintenance of books of accounts, records and documents, non-involvement in unfair trade practices, facilitating the possession of all information and documents which the allottee is entitled to etc. We are also required to comply with the rules and regulations issued under the RERA Act by the state governments, including the Karnataka Real Estate (Regulation and Development) Rules, 2017.

***Information Technology Act, 2000 and Information Technology (Reasonable security practices and procedures and sensitive personal data or information) Rules, 2011***

Our Company uses computer or computerized system and hence our working is governed by Information Technology Act, 2000 (“IT Act”). IT Act governs and provides legal recognition for transactions carried out by means of electronic data interchange and other means of electronic communication, commonly referred to as —electronic commerce. It also gives legal recognition to Digital Signatures and facilitates storage of data. The IT Act is applicable to any offence or contravention committed outside India as well. If the conduct of person constituting the offence involves a computer or a computerized system or network located in India, then irrespective of his/her nationality, the person is punishable under the IT Act.

***The Personal Data Protection Bill, 2021 (“Bill”)***

The Personal Data Protection Bill, 2021 was introduced in Lok Sabha on December 16, 2021 by the joint parliamentary Committee i.e. after a period of 2 years from the date of introduction of the Bill in 2019. The Bill seeks to provide for protection of personal data of individuals, and establishes a Data Protection Authority for the same. Data Protection refers to the set of privacy laws, policies and procedures that aim to minimize intrusion into one’s privacy caused by the collection, storage and dissemination of personal data. Personal data generally refers to the information or data which relate to a person who can be identified from that information or data whether collected by any Government or any private organization or an agency.

## **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 30th September 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 have 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. It was introduced as The Constitution (One Hundred and First Amendment) Act 2016, following the passage of Constitution 101st Amendment Bill. 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 as 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 principle in addition to the Customs Duty which has not been subsumed in the GST.

## **OTHER GENERAL REGULATIONS**

### ***The Micro, Small and Medium Enterprises Development Act, 2006 (“MSME Act”)***

MSME Act was enacted to provide for facilitating 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.

### ***The Indian Contract Act, 1872 (“Contract Act”)***

The Contract Act is the legislation which lays down the general principles relating to formation, performance and enforceability of contracts. The rights and duties of parties and the specific terms of agreement are decided by the contracting parties themselves, under the general principles set forth in the Contract Act. The Contract Act also provides for circumstances under which contracts will be considered as ‘void’ or ‘voidable’. The Contract Act contains provisions governing certain special contracts, including indemnity, guarantee, bailment, pledge, and agency.

### ***Registration Act, 1908 (“Registration Act”)***

The Registration Act, 1908 (“Registration Act”) was passed to consolidate the enactments relating to the registration of documents. The main purpose for which the Registration Act was designed was to ensure information about all deals concerning land so that correct land records could be maintained. The Registration Act is used for proper recording of transactions relating to other immovable property also. The Registration Act provides for registration of other documents also, which can give these documents more authenticity. Registering authorities have been provided in all the districts for this purpose.

### ***Competition Act, 2002 (“Competition Act”)***

The Competition Act, 2002 prohibits anti-competitive agreements, abuse of dominant positions by enterprises and regulates “combinations” in India. The Competition Act also established the



Competition Commission of India (the “CCI”) as the authority mandated to implement the Competition Act, 2002. The provisions of the Competition Act relating to combinations were notified on March 4, 2011 and came into effect on June 1, 2011. Combinations which are likely to cause an appreciable adverse effect on competition in a relevant market in India are void under the Competition Act.

### ***Negotiable Instruments Act, 1881 (“NI Act”)***

The Act provides effective legal provision to restrain people from issuing cheques without having sufficient funds in their account or any stringent provision to punish them in the event of such cheque not being honored by their bankers and returned unpaid.

### ***Consumer Protection Act, 2019 (“COPRA”)***

Few of the provisions of The Consumer Protection Act, 2019 (“COPRA”) have been notified vide notification No. S.O. 2421(E), dated 23rd July 2020 thus repealing the respective provisions of Consumer Protection Act, 1986. However, the provisions of Consumer Protection Act, 1986, are still valid to the extent COPRA being not notified. The COPRA provides a mechanism for the consumer to file a complaint against a service provider in cases of unfair trade practices, restrictive trade practices, deficiency in services, price charged being unlawful and food served being hazardous to life. It also places product liability on a manufacturer or product service provider or product seller, to compensate for injury or damage caused by defective product or deficiency in services. It provides for a three-tier consumer grievance redressal mechanism at the national, state and district levels. Non-compliance of the orders of the redressal commissions attracts criminal penalties. The COPRA has brought e-commerce entities and their customers under its purview including providers of technologies or processes for advertising or selling, online market place or online auction sites. The COPRA also provides for mediation cells for early settlement of the disputes between the parties.

### ***The Arbitration and Conciliation Act, 1996 (“Act”)***

This Act was enacted by Parliament in the Forty-seventh Year of the Republic of India to consolidate and amend the law relating to domestic arbitration, international commercial arbitration and enforcement of foreign arbitral awards as also to define the law relating to conciliation and for matters connected therewith or incidental thereto. The main objectives of the Act is to comprehensively cover international and commercial arbitration and conciliation as also domestic arbitration and conciliation, to make provision for an arbitral procedure which is fair, efficient and capable of meeting the needs of the specific arbitration, to provide that the arbitral tribunal gives reasons for its arbitral award, to ensure that the arbitral tribunal remains within the limits of its jurisdiction, to minimize the supervisory role of courts in the arbitral process, to permit an arbitral tribunal to see mediation, conciliation or other procedures during the arbitral proceedings to encourage settlement of disputes, to provide that every final arbitral award is enforced in the same manner as if it were a decree of the court, to provide that a settlement agreement reached by the parties as a result of conciliation proceedings will have the same status and effect as an arbitral award on agreed terms on the substance of the dispute rendered by an arbitral tribunal and to provide that, for purposes of enforcement of foreign awards, every arbitral award made in a country to which one of the two Conventions relating to foreign arbitral awards to which India is a party applies, will be treated as a foreign award.

## **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.

## **LAWS RELATED TO EMPLOYMENT OF MANPOWER**

### ***PFRDA (POP) Regulations***

PFRDA, in order to regulate and encourage an independent, strong and effective distribution channel for National Pension System, has framed PFRDA (POP) Regulations. The PFRDA (POP) Regulations provides, amongst others, the eligibility and procedure for obtaining the certificate of registration to carry on business as point of presence. Further, every point of presence is required to adhere to a code of conduct prescribed under the PFRDA (POP) Regulations. PFRDA has powers to conduct inspection of point of presence to, ensure, amongst others, that the books of accounts are being maintained in the manner required under applicable law.

### ***Laws relating to employment***

The following is an indicative list of labour laws applicable to the business and operations of Indian companies as may be applicable in each state:

1. Employees' Compensation Act, 1923;
2. Employees' Provident Funds and Miscellaneous Provisions Act, 1952;
3. Employees' State Insurance Act, 1948;
4. Maternity Benefit Act, 1961;
5. Minimum Wages Act, 1948;
6. Payment of Gratuity Act, 1972;
7. Payment of Bonus Act, 1965;
8. Payment of Wages Act, 1936;
9. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;
10. The Equal Remuneration Act, 1976; and
11. Shops and Establishments Act, 1947.

To rationalize and reform labour laws in India, the Government has enacted the following codes:

- Code on Wages, 2019, which 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. 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.
- Code on Social Security, 2020, which amends and consolidates laws relating to social security, and subsumes various social security related legislations, inter alia including the Employee's State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act, 1961 and the Payment of Gratuity Act, 1972. It governs the constitution and functioning of social security organisations such as the employee's provident fund and the employee's state insurance corporation, regulates the payment of gratuity, the provision of maternity benefits and compensation in the event of accidents that employees suffer, among others.

While certain portions of the Code on Wages, 2019 as well as the Code on Social Security, 2020 have now been notified by the Ministry of Labour and Employment, the remainder of these codes shall become effective on the day that the Government shall notify for this purpose.

## HISTORY AND CERTAIN CORPORATE MATTERS

### BRIEF HISTORY OF OUR COMPANY

Our Company was incorporated as ‘Dharni Online Services Private Limited’ on November 12, 2015 as a private limited company under the Companies Act, 2013 with the Registrar of Companies, Bangalore, Karnataka. Further, the name of our Company was changed to “Dharni Capital Services Private Limited” vide Certificate of Incorporation pursuant to change of name dated March 28, 2022 issued by Registrar of Companies, Bangalore, Karnataka. Subsequently, pursuant to a special resolution passed by our shareholders in the extra-ordinary general meeting held on April 26, 2022, our Company was converted from a private limited company to public limited company and consequently, the name of our Company was changed to ‘Dharni Capital Services Limited’, and a fresh certificate of incorporation dated May 17, 2022 was issued to our Company by the Registrar of Companies.

For information on our Company’s profile, activities, products, market, growth, technology, please refer the chapter titled “Our Business”, “Industry Overview”, “Our Management”, “Restated Financial Statements” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on pages 127,116,149,181 and 218 respectively of this Draft Prospectus.

### CHANGES IN THE REGISTERED OFFICE OF OUR COMPANY

The following changes were made in the location of our Registered Office:

From	To	With effect from	Reason for change
20094, Prestige Shantiniketan, Whitefield Road, Near ITPL, Bangalore, Karnataka 560 048, India	226, Brigade Metropolis Arcade, Whitefield Main Road, Garudacharpalya, Bangalore, Karnataka 560 048	March 20, 2019	Administrative Convenience

### MAIN OBJECTS OF OUR COMPANY

The main objects contained in the Memorandum of Association of our Company are as follows:

1. To act as financial consultants, management consultants, and provide advice, services, consultancy in various fields, general administrative, secretarial, commercial, financial legal, economic, labour, industrial, public relations, scientific, technical, direct and indirect taxation and other levies, statistical, accountancy, quality control and data processing in Online and well as Offline Space. To render services to any company, government, central pr state or any municipal or other body corporate or association or individual with capital, credit, means or resources for the prosecution of any works, undertaking, projects or enterprises.

2. To act as consultants or advisors of any firm, body corporate, association or other undertaking and generally subject as aforesaid, to act as consultants or advisors and to undertake part in the management supervision or control of the business or operation of any person, firm, body corporate, association or other undertaking and, if necessary, for such purpose or purpose to appoint and remunerate any offices of the company, accountants or other experts or agents in Online as well as Offline Space.

3. To act as Finance & Legal Advisor and Consultant and render management and other skilled and other services to all types of Industry or Organisations in India or abroad including for, Accounting, Investments, Legal, Secretarial and Taxation matters and without limiting the generality of the above to act as consultants. The main objects as contained in the Memorandum of Association enable our Company to carry on the business presently being carried out and the activities proposed to be undertaken pursuant to the objects of the Offer. For further details, please see the section entitled “*Objects of the Issue*” on page 100.

## MAJOR EVENTS AND MILESTONES OF OUR COMPANY

The table below sets forth the major events and milestones in the history of our Company:

Year	Particulars
2015	Incorporation of our Company
2018	Obtained ARN to provide Mutual Fund Distribution services
2018	<u>Registered as a Distributor with various Mutual Funds including SBI Mutual Fund, HDFC Mutual Fund, ICICI Mutual Fund, Kotak Mutual Fund, Aditya Birla Sunlife Mutual Fund, Axis Mutual Fund, UTI Mutual Fund, Nippon India Mutual Fund, etc</u>
2018	Mutual Fund AUM of 17.4 Crores on December 31, 2018
2019	Launched our website <a href="http://www.dharniwealth.com">www.dharniwealth.com</a> for ease of transaction for Mutual Fund Investors
2019	Launched our Personalised app “Dharni Wealth” and “Dharni Online” on the app store and play store
2019	Mutual Fund AUM of 31.8 Crores on December 31, 2019
2020	Launched Fixed Deposit Distribution
2020	Empanelled as a Distributor of Fixed Deposits with Shriram Transport Finance Company Limited, PNB Housing Finance Limited
2020	Sold Mutual Funds worth 44 Crores in a single month of November 2020
2020	Gross Sales of Mutual Funds touched 100 Crore plus since inception.
2020	Mutual Fund AUM of 94.7 Crores as on December 31, 2020
2021	Obtained RERA Real Estate Agent License in Karnataka
2021	Launched Property Advisory /Distribution services
2021	Empanelled as a Real Estate Agent with companies like Prestige Estate, Embassy Group, etc in Karnataka
2021	Made Fixed Deposits worth over Rs 100 Crores in trailing 12 months ended 30-Sep-2021
2021	Total Assets under Management in Mutual Funds and Fixed Deposits crossed 200 Crores during the year.

2021	Made right Issue of ₹1.19 Crores to existing shareholders to augment the financial resources of the company.
2021	Launched Distribution of Fraction ownership in Real Estate
2022	Issues bonus shares to the existing shareholder of the company to increase the paid-up share capital of the company to Rs 1.50 Crores
2022	Certificate of incorporation pursuant to change in name from 'Dharni Online Services Private Limited' to 'Dharni Capital Services Private Limited'
2022	Certificate of incorporation pursuant to change in name from 'Dharni Capital Services Private Limited' to 'Dharni Capital Service Limited'

### AMENDMENTS TO THE MEMORANDUM OF ASSOCIATION OF OUR COMPANY SINCE INCORPORATION

The following changes have been made in the Memorandum of Association of our Company since incorporation:

Sr. no	Date of Meeting	Type of meeting	Nature of Amendment
1.	December 14, 2021	Extra-Ordinary General Meeting	Increase in Authorised Share Capital from ₹10,00,000/- comprising of 10,00,000 Equity Shares of ₹.1/- each to ₹1,80,00,000/- comprising of 1,80,00,000 Equity Shares of Rs.1/- each.
2.	February 01, 2022	Extra-Ordinary General Meeting	Change of Name of Company from Dharni Online Services Private Limited to ' <b><i>Dharni Capital Services Private Limited</i></b> ' and consequent Alteration of Memorandum and Articles of Association of the Company.
3.	April 28, 2022	Extra-Ordinary General Meeting	Conversion of Company from a Private Limited Company into a Public Limited Company and consequent alteration of the Name Clause in Memorandum and Articles of Association of the Company from ' <b><i>Dharni Capital Services Private Limited</i></b> ' to ' <b><i>Dharni Capital Services Limited.</i></b> '
4.	April 28, 2022	Extra-Ordinary General Meeting	Increase in Authorised Share Capital from ₹1,80,00,000/- comprising of 1,80,00,000 Equity Shares of ₹1/- each to ₹ 2,10,00,000/- comprising of 2,10,00,000 Equity Shares of ₹1/- each.
5.	April 28, 2022	Extra-Ordinary General Meeting	Adoption of New Set of Articles of Association of the Company in conformity to Companies Act, 2013 pursuant to Conversion thereby deleting restrictive clauses.

Adopting New Articles of Association of the Company.

Our Company has adopted the New Articles of Association of the Company in Extra- Ordinary general meeting held on March 31, 2022

## OUR HOLDING COMPANY

As on the date of this Draft Prospectus, our Company does not have any Holding Company.

## OUR SUBSIDIARY COMPANY

As on the date of this Draft Prospectus, we have 1 (One) Wholly Owned Subsidiary Company, the details of which are as given below:

### Dharni Consulting Private Limited (DCPL)

#### Corporate Information

Our Company was incorporated as Dharni Consulting Private Limited on April 27, 2022 under the provisions of the Companies Act, 2013 with the Registrar of Companies, Bangalore, Karnataka.

<b>CIN</b>	U74999KA2022PTC160562
<b>PAN</b>	AAJCD2437L
<b>Registered Office</b>	304, Vars Casa Rosa, 1st Main Pai Layout, Bangalore, Karnataka 560016

#### Nature of Business

DCPL was incorporated as Wholly Owned Subsidiary of our Company. DCPL is *inter alia* proposed to act as consultants or advisors to invest in various kinds of properties, including residential, commercial and retail at various location in India and abroad and to act as investor in various kind of properties, including residential, commercial and retail at various location in India and abroad to earn rental income as well as capital appreciation

#### Capital Structure

As on the date of this Draft Prospectus, the authorised share capital of DCPL is ₹ 10,00,000 divided into 10,00,000 equity shares of ₹ 1 each. The issued, subscribed and paid-up equity share capital of DCPL is ₹ 1,00,000 divided into 1,00,000 equity shares of ₹ 1 each

#### Shareholding Pattern

The shareholding pattern of DCPL as on the date of this Draft Prospectus is mentioned below:-

Sr. No.	Name of Shareholders	No. of Shares	% of total share capital
1.	Dharni Capital Services Limited	99,999	100.00
2.	Preeti Saraogi*	1	0.00
	<b>TOTAL</b>	<b>1,00,000</b>	<b>100.00</b>

\*Note: Held as Nominee of Dharni Capital Services Limited



## Board of Directors

Following are the Directors of DCPL as on the date of this Draft Prospectus: -

<b>Name of Director</b>	<b>DIN</b>
Mr. Hemant Dharnidharka	07190229
Ms. Preeti Saraogi	07339758

## Financial Performance

The Company was incorporated only on April 27, 2022, hence the financial statements of the Company for previous three years are not available as on date of this Draft Prospectus.

### Accumulated profits or losses:

As on the date of this Draft Prospectus, there are no accumulated profits or losses of DCPL that have not been accounted for or consolidated by our Company.

### Significant Notes of Auditor

The Company was incorporated only on April 27, 2022, hence the Financial Statements of the Company for previous three years are not available and there are no significant notes of the auditors as on the date of this Draft Prospectus.

## OUR ASSOCIATE COMPANY

There are no associate company as on date of this Draft Prospectus.

## ACQUISITION OF BUSINESSES/UNDERTAKINGS, MERGER, AMALGAMATION OR REVALUATION OF ASSETS IN LAST 10 YEARS

Our Company has not made any material acquisitions or divestments of any business or undertaking, and has not undertaken any mergers, amalgamation or revaluation of assets in the last ten years except as mentioned under the Major Events table forming part of this chapter.

## LAUNCH OF KEY PRODUCTS OR SERVICES, ENTRY INTO NEW GEOGRAPHIES OR EXIT FROM EXISTING MARKETS, CAPACITY/FACILITY CREATION

For information on key products or services our Company, entry into new geographies or exit from existing markets, please see the section entitled “*Our Business*” on page 127

## DEFAULTS OR RESCHEDULING/RESTRUCTURING OF BORROWINGS WITH FINANCIAL INSTITUTIONS/BANKS

There have been no defaults or rescheduling or restructuring of borrowings with financial

institutions/banks in respect of our current borrowings from lenders. For further information of our financing arrangements, please see the section entitled “*Financial Information*” on page 181

#### **TIME AND COST OVERRUNS**

There have been no time and cost overruns in the implementation of any of our projects.

#### **SIGNIFICANT STRATEGIC OR FINANCIAL PARTNERS**

Our Company does not have any significant strategic or financial partners as on the date of this Draft Prospectus.

#### **LOCK OUTS AND STRIKES**

Our Company is in Service Industry and there have been no lock outs or strikes at any of the location of our Company as on the date of this Draft Prospectus.

#### **CHANGES IN THE ACTIVITIES OF OUR COMPANY DURING THE LAST FIVE YEARS**

There have been no changes in the activities of our Company during the last five years which may have had a material effect on the profits and loss account of our Company, including discontinuance of lines of business, loss of agencies or markets and similar factors.

#### **JOINT VENTURES**

As on the date of this Draft Prospectus, our Company does not have any joint ventures.

#### **SHAREHOLDERS’ AGREEMENT**

Our Company has not entered into any Shareholders Agreement as on the date of this Draft Prospectus.

#### **AGREEMENTS WITH KEY MANAGERIAL PERSONNEL, DIRECTOR, PROMOTER OR ANY OTHER EMPLOYEE**

Neither our Promoter, nor any of the Key Managerial Personnel, Directors or employees of our Company have entered into an agreement, either by themselves or on behalf of any other person, with any Shareholder or any other third party with regard to compensation or profit sharing in connection with the dealings of the securities of our Company

#### **GUARANTEES GIVEN BY OUR PROMOTER**

As on the date of this Draft Prospectus, no guarantee has been issued by our Promoter.

## **MATERIAL AGREEMENTS**

Except the contracts / agreements entered in the ordinary course of the business carried on or intended to be carried on by our Company, we have not entered into any material agreement / contract as on the date of this Draft Prospectus.

## **STRATEGIC PARTNERS**

As of the date of this Draft Prospectus, our Company does not have any Strategic Partners.

## **FINANCIAL PARTNERS**

As on the date of this Draft Prospectus, our Company does not have any other financial partners.

## OUR MANAGEMENT

### BOARD OF DIRECTORS

Under Articles of Association of our Company, the number of directors shall not be less than 3 (three) and not be more than 15 (Fifteen), subject to the applicable provisions of the Companies Act, 2013.

As of the date of this Draft Prospectus, our Company has 4 (Four) Directors on the Board, 1 (One) Executive, 1(One) Non-Executive Directors, and 2 (Two) Independent Directors.

Set forth below are details regarding the Board of Directors as on the date of this Draft Prospectus:

<b>Name, Father's / Husband's Name, Age, Designation, Address, Occupation, Nationality, DIN and Term</b>	<b>Date of Appointment / Reappointment</b>	<b>Other Directorships / Designated Partners</b>
<p>Name: Hemant Dharnidharka</p> <p>Father's Name: Mr. Pramod Kumar Dharnidharka</p> <p>Date of Birth: 22-04-1980</p> <p>Age: 42</p> <p>Qualification: CA, CS, B.Com, PGD in Management</p> <p>Experience: 18 Years</p> <p>Designation: Managing Director</p> <p>Address: 15064, Prestige Shantiniketan, Whitefield Main Road, Near ITPL, Bangalore, Karnataka 560048</p> <p>Occupation: Business</p> <p>Nationality: Indian</p> <p>DIN: 07190229</p> <p>PAN: AGJPD5637R</p> <p>Term: Appointed as Managing</p>	<p>Appointed as Director w.e.f. 08.08.2022*</p> <p>Change in Designation to Managing Director w.e.f. 08.08.2022</p>	<p><b>Indian Private Limited Companies</b></p> <ul style="list-style-type: none"> <li>• Learning Evolution Solutions Private Limited</li> <li>• Dharni Consulting Private Limited</li> </ul> <p><b>Indian Limited Liability Partnerships</b></p> <ul style="list-style-type: none"> <li>• Kuvaer Capital Services LLP</li> <li>• Dharni Property Investments 1 LLP</li> </ul>

Director with effect from August 08, 2022 for a period of 3 years		
<p>Name: Preeti Saraogi</p> <p>Father's Name: Mr. Subhash Chander Saraogi</p> <p>Date of Birth: 23-09-1986</p> <p>Age: 35</p> <p>Qualification: B.Com , PGD in Human Resources Management</p> <p>Experience: 14 Years</p> <p>Designation: Director</p> <p>Address: 15064, Prestige Shantiniketan, Whitefield Main Road, Near ITPL, Bangalore, Karnataka 560048</p> <p>Occupation: Business</p> <p>Nationality: Indian</p> <p>DIN: 07339758</p> <p>PAN: BBUPS2674A</p> <p>Term: Appointed as Director with effect from 12.11.2015</p>	Appointed as Director w.e.f. 12.11.2015	<p><b>Indian Private Limited Companies</b></p> <ul style="list-style-type: none"> <li>Dharni Consulting Private Limited</li> </ul> <p><b>Indian Limited Liability Partnerships</b></p> <ul style="list-style-type: none"> <li>Kuvaer Capital Services LLP</li> <li>Dharni Property Investments 1 LLP</li> </ul>
<p>Name: Jaideep Mittra</p> <p>Father's Name: Mr. Sadanand Mittra</p> <p>Date of Birth: 26-12-1955</p> <p>Age: 61</p> <p>Qualification: Master of Defence Studies</p> <p>Experience: 40 Years</p>	Appointed as Independent Director of the Company w.e.f. 08.08.2022 \$	<p><b>Indian Private Limited Companies</b></p> <ul style="list-style-type: none"> <li>New Bridge Business Centre Private Limited</li> <li>American Road Technology &amp; Solutions Private Limited</li> </ul>

<p>Designation: Independent Director</p> <p>Address: H21, Old Airport Road, Near Royal Orchid Hotel Diamond District Kodihalli Bangalore North H.A.L II Stage Bengalure-560006</p> <p>Occupation: Self-Employed</p> <p>Nationality: Indian</p> <p>DIN: 08233924</p> <p>PAN: AEJPM8594C</p> <p>Term: Term: Appointed as Independent Director with effect from August 08, 2022 to August 07, 2027</p>		
<p>Name: Vinay Agarwal</p> <p>Father's Name: Mr. Bhikam Chand Agarwal</p> <p>DOB: 28-01-1987</p> <p>Age: 35</p> <p>Qualification: CA</p> <p>Experience: 13 Years</p> <p>Designation: Independent Director</p> <p>Address: Flat No-9DC, 9th Floor, 156C Manicktala Main Road, Kankurgachi, Kolkata, West Bengal- 700054</p> <p>Occupation: Business</p> <p>Nationality: Indian</p> <p>DIN: 09630941</p> <p>PAN: AGTPA9618H</p>	<p>Appointed as Independent Director of the Company w.e.f 08.08.2022 #</p>	<p><b>Indian Public Limited Companies</b></p> <p>• Nil</p> <p><b>Indian Private Limited Companies</b></p> <p>• Nil</p> <p><b>Indian Companies Limited by Guarantee</b></p> <p>• Nil</p> <p><b>Indian Limited Liability Partnerships</b></p> <p>• Nil</p>

Term: Appointed as Independent Director with effect from August 08, 2022 to August 07, 2027		
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*\*Mr. Hemant Dharnidharka was appointed as the Director of our Company on November 12, 2015. However, on account of a clerical error, the name of Mr. Hemant Dharnidharka was removed as Director of our Company. Thereafter, he was appointed as the Additional Director of our Company and as Managing Director of our Company w.e.f. August 08, 2022, vide Board Resolution dated August 08, 2022 and Shareholders Resolution dated August 10, 2022.*

*\$Mr. Jaideep Mittra was appointed as the Additional Independent Director of the Company at the Board Meeting held on March 28, 2022. His directorship was regularized and confirmed by the Members at the Extra-Ordinary General Meeting held on March 31, 2022. However, he had obtained Independent Director Databank Registration Certificate only on July 15, 2022. Therefore, in partial modification of the Shareholders Resolution passed earlier on March 31, 2022 his directorship was then regularized and confirmed by the Members at the Extra-Ordinary General Meeting held on August 10, 2022 as the Independent Director of the Company w.e.f August 08, 2022*

*#Mr. Vinay Agarwal was appointed as the Additional Independent Director of the Company at the Board Meeting held on June 03, 2022. However, he had obtained Independent Director Databank Registration Certificate only on June 07, 2022. His directorship was regularized and confirmed by the Members at the Extra-Ordinary General Meeting held on August 10, 2022 as the Independent Director of the Company w.e.f August 08, 2022.*

## **BRIEF PROFILE OF OUR DIRECTORS**

### **1. Mr. Hemant Dharnidharka**

Hemant Dharnidharka as the Promoter of Dharni Capital, is heading the overall operations of the Group. He has been responsible for developing large strategic business endeavors for DHARNI Group and has been very successful with collaborating and creating relationships.

Hemant is a Commerce Graduate from St. Xavier's College, Kolkata and also is Postgraduate Diploma in Management from IIM-Lucknow. He has also completed Chartered Accountancy and Company Secretary Courses. He also possesses Certification from Association of Mutual Funds of India (AMFI) in Mutual Funds, NCFM Certification in Derivatives. He has an overall Experience of 22 years in the Finance Industry. He was last working as Managing Director with SJS Markets in Bangalore. He has previously worked with YL eServices, Frontline Analysts, Cadbury and Citibank.

### **2. Mrs. Preeti Saraogi**

Preeti Saraogi is a promoter of Dharni Capital and wife of Mr. Hemant Dharnidharka. She has been involved with the Company's activities since the inception of the Company. Preeti is a B.com Graduate and has done her Postgraduate Diploma in Human Resource Management in 2010. She handles HR and admin matters at the company.



### 3. Maj. Gen. Jaideep Mittra (Retd.)

Maj Gen Jaideep Mittra retired from the Indian Army after nearly four Decades of service to the Nation. A product of the National Defence Academy and a graduate of the Defence Services Staff College. During his chequered career with the Army, he has held various prestigious Command, Staff, Instructional and Extra Regimental assignments. He has had numerous operational experiences in North East, J&K, IPKF (Sri Lanka) and in Kargil. He was also selected to represent the Country as part of the United Nations Military Observer Group (UNIIMOG) in Iran. Logistics, Supply Chain Management, Personality Evaluation and Public Relations are his core competencies. A Qualified Interviewer from DIPR (Defence Institute of Psychological Research) who held two tenures in Selection Centre which select potential officers into Indian Army. Post retirement he has interviewed Senior Management Level officers for MNCs.

A qualified Independent Director from the Institute of Directors, Maj Gen Jaideep Mittra has held various assignments with Corporate Sector post retirement.

### 4. Vinay Agarwal

Vinay Agarwal is a Commerce Graduate from St. Xavier's College, Kolkata. He is a Chartered Accountant since 2009 and has also done CFA (Chartered financial analyst) from ICAI Hyderabad. He has an overall Experience of 10 years in the Manufacturing Industry.

Vinay Agarwal is the Proprietor of Vansh Traders (Garment Manufacturing Firm, Brand: OXFORD). As a supplier to large corporates, he has a good experience of dealing with corporate houses. He brings an objective view towards strategic business decisions for Dharni Capital Services Limited.

## CONFIRMATIONS

As on the date of this Draft Prospectus:

- a. Except as stated below, none of the Directors of our Company are related to each other as per Section 2(77) of the Companies Act, 2013.

Sr. No.	Name of Director	Name of Director	Relationship
1.	Mr. Hemant Dharnidharka	Mrs. Preeti Saraogi	Husband – Wife

- b. There are no arrangements or understanding with major shareholders, customers, suppliers or others, pursuant to which any of the Directors or Key Managerial Personnel were selected as a Director or Member of Senior Management.
- c. There are no service contracts entered into by the Directors with our Company providing for benefits upon termination of employment.

- d. As on the date of this Draft Prospectus, none of our directors are on the RBI List of wilful defaulters.
- e. As on the date of this Draft Prospectus, none of our Directors are Fugitive Economic Offender under Section 12 of the Fugitive Economic Offenders Act, 2018.
- f. As on the date of this Draft Prospectus, none of our Director is or was a director of any Listed Company during the last 5 (five) years preceding the date of this Draft Prospectus, whose shares have been or were suspended from being traded on the Stock Exchange(s), during the term of their directorship in such Company.
- g. As on the date of this Draft Prospectus, none of our Director is or was a director of any listed Company which has been or was delisted from any stock exchange during the term of their directorship in such Company.
- h. As on the date of this Draft Prospectus, none of the Promoters, Persons forming part of our Promoter Group, Directors or persons in control of our Company, has been or is 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.
- i. No proceedings / investigations have been initiated by SEBI against any Company, the Board of Directors of which also comprises any of the Directors of our Company.
- j. None of the Directors are categorized as a wilful defaulter or a fraudulent borrower, as defined under Regulation 2(1)(III) of SEBI ICDR Regulations.

## **REMUNERATION / COMPENSATION TO OUR DIRECTORS**

The compensation payable to our Directors will be governed as per the terms of their appointment and shall be subject to the provisions of Section 2(54), Section 2(94), Section 188, Section 196, Section 197, Section 198 and Section 203 and any other applicable provisions, if any of the Companies Act, 2013 read with Schedule V to the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof or any of the provisions of the Companies Act, 1956, for the time being in force).

The compensation payable to the Managing Director from F.Y. 2022-23 onwards as resolved in the Extra-Ordinary General Meeting held on August 10, 2022 is stated hereunder:

(₹ in Lakhs)

<b>Sr. No.</b>	<b>Name of Director</b>	<b>Remuneration shall not exceed</b>
1.	Mr. Hemant Dharnidharka	60.00

## **TERMS AND CONDITIONS OF EMPLOYMENT OF OUR DIRECTORS**

### **Mr. Hemant Dharnidharka**

Mr. Hemant Dharnidharka was appointed as Managing Director for a period of 3 (three) years commencing from August 08, 2022 for a period of 3 years i.e. upto to August 07, 2027.

The significant terms of his employment are as below:

<b>Remuneration</b>	₹ 60,00,000 p.a
<b>Bonus and Profit-sharing Ratio</b>	Not applicable
<b>Term</b>	Appointed as Managing Director for a period of 3 (three) years commencing from August 08, 2022
<b>Remuneration in the event of loss or inadequacy of profits</b>	In the event of inadequacy or absence of profits in any financial years during his tenure, the Director will be paid remuneration as mentioned in Schedule V as may be approved by the Shareholders of the Company

#### **SITTING FEES**

Pursuant to the Resolution passed by the Board of Directors of our Company on August 08, 2022 the Non-Executive & Independent Directors of our Company would be entitled to a sitting fee of ₹ 2,000/- for attending every meeting of Board or its Committee thereof.

#### **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 Prospectus or is intended to be paid or given to any of our directors except the remuneration for services rendered and/or sitting fees as Directors.

#### **CONTINGENT AND DEFERRED COMPENSATION PAYABLE TO DIRECTORS**

There is no contingent or deferred compensation payable to our directors, which does not form part of their remuneration.

#### **BONUS OR PROFIT-SHARING PLAN FOR THE DIRECTORS**

None of the Directors are party to any bonus or profit-sharing plan of our Company.

#### **BORROWING POWERS OF OUR BOARD**

Our Articles of Association, subject to applicable law, authorize our Board to raise or borrow money or secure the payment of any sum of money for the purposes of our Company. Pursuant to a Special Resolution passed at an Annual General Meeting of our Company held on November 30, 2021 our Shareholders authorized the Board of Directors of our Company to borrow sum of money from time to time, notwithstanding that the sum of money to be borrowed together with the sum of money already borrowed by our Company may exceed in the aggregate, its paid up capital and free reserves and security premium (apart from temporary loans obtained / to be obtained from bankers in the ordinary course of business), provided that the outstanding principal amount of such borrowing at any point of time shall not exceed in the aggregate of ₹ 50 crores (Rupees Fifty Crores Only).

## SHAREHOLDING OF DIRECTORS IN OUR COMPANY

Our Articles of Association do not require our Directors to hold qualification shares.

As on date of this Draft Prospectus, our Directors hold the following number of Equity Shares of our Company:

Sr. No.	Name of Directors	No. of Equity Shares Held (Pre-Issue)	% of Pre-Issue capital
1.	Mr. Hemant Dharnidharka	1,39,50,000	93.00
2.	Mrs. Preeti Saraogi	10,00,000	6.67
3.	Maj. Gen. Jaideep Mittra (Retd.)	NIL	N.A.
4.	Mr. Vinay Agarwal	NIL	N.A.

## INTEREST OF OUR DIRECTORS

All the Directors may be deemed to be interested to the extent of remuneration and reimbursement of expenses payable to them under the Articles, and to the extent of remuneration paid to them for services rendered as an officer or employee of the Company. For further details, please refer to Chapter titled “Our Management” beginning on page 149 of this Draft Prospectus.

Our Directors may also be regarded as interested to the extent of their shareholding and dividend payable thereon, if any, and to the extent of Equity Shares, if any held by them in our Company or held by their relatives. Further our Director are also interested to the extent of unsecured loans, if any, given by them to our Company or by their relatives or by the companies/ firms in which they are interested as directors/Members/Partners.

Except as stated otherwise in this Draft Prospectus, our Company has not entered into any Contract, Agreements or Arrangements during the preceding two years from the date of the Draft Prospectus in which the Directors are interested directly or indirectly and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be entered into with them.

Except as stated in this section "Our Management" or the section titled "Financial information of the Company – Note 27 – Related Party Disclosure" beginning on page 149 and 213 respectively of this Draft Prospectus, and except to the extent of shareholding in our Company, our Directors do not have any other interest in our business.

### Interest in promotion of our Company

Our Directors, Mr. Hemant Dharnidharka and Mrs. Preeti Saraogi may be deemed to be interested in the promotion of our Company to the extent of the Equity Shares held by them and also to the extent of any dividend payable to them and other distributions in respect of the Equity Shares held by them, if any. For further details, refer to chapters titled “Our Promoters and Promoter Group” and “Note 27. Related Party Transactions” beginning on pages 173 and 213 of this Draft Prospectus.

**Interest in the property of our Company**

Except as stated in the chapter titled “Our Business” beginning on page 127 and chapter titled Financial Statement “ Note- 27. Related Party Transaction” beginning on page 213 of this Draft Prospectus, our Directors have not entered into any contract, agreement or arrangements within a period of 2 (two) years preceding the date of Draft Prospectus in which the Directors are interested directly or indirectly and no payments have been made to them in respect of these contracts, agreements or arrangements or are proposed to be made to them. Further our Directors do not have any interest in any immovable property to be acquired by the Company except otherwise disclosed in the heading titled “Land and Properties” under the chapter titled “Our Business” beginning on page 127 of this Draft Prospectus.

**Interest as Member of our Company**

As on date of this Draft Prospectus, our Directors holds 1,49,50,000 Equity Shares of the Company, the percent of the pre-issue paid up Equity Share Capital of our Company is 99.67%. Therefore, our Directors are interested to the extent of their respective shareholding and the dividend declared and other distributions, if any, by our Company, if any.

**Interest as Creditor of our Company**

As on the date of this Draft Prospectus, except as stated in the chapter titled “Statement of Financial Indebtedness” and heading titled “Related Party Transactions” under chapter titled “Restated Financial Statements”, our Company has not availed loans from Directors of our Company.

**Interest in the business of Our Company**

Further, save and except as stated otherwise in “Statement of Related Parties’ Transactions” in the chapter titled “Financial Statements as Restated” of this Draft Prospectus, our Directors do not have any other interests in our Company as on the date of this Draft Prospectus. Our Directors are not interested in the appointment of Underwriters, Registrar and Bankers to the Issue or any such intermediaries registered with SEBI.

**Interest as Directors of Our Company**

Our Managing Director may be interested to the extent of remuneration paid to him, respectively for services rendered as a Director of our Company and reimbursement of expenses payable to him. For details, please refer “Terms and conditions of employment of our “Managing Director” above. Further, all our Non-Executive and Independent Directors may be interested to the extent of fees payable to them and / or the commission payable to them for attending meetings of the Board of Directors or a committee thereof. The Independent Directors are paid sitting fees for attending the meetings of the Board and committees of the Board and may be regarded as interested to the extent of such sitting fees and reimbursement of other expenses payable to them as per their terms of appointment.

## APPOINTMENT OF RELATIVES OF DIRECTORS TO ANY OFFICE OR PLACE OF PROFIT

Except as disclosed in this Draft Prospectus, none of the relatives of our Directors currently hold any office or place of profit in our Company.

## CHANGES IN OUR BOARD OF DIRECTORS DURING THE LAST THREE YEARS

Except as disclosed below, there have been no changes in our Board during the last 3 (three) years.

Name	Date of Appointment	Date of Change of Designation	Date of Cessation	Reason for change
Manoj Kumar Sharma	August 09, 2021	--	January 3, 2022	Resignation as Director
Maj. Gen. Jaideep Mittra (Retd.)	March 28, 2022	August 08, 2022 \$	--	Appointment as Independent Director
Vinay Agarwal	June 03, 2022	August 08, 2022 #	--	Appointment as Independent Director
Hemant Dharnidharka	August 08,* 2022		-	Appointment as Director

*\*Mr. Hemant Dharnidharka was appointed as the Director on November 12, 2015. However, due to clerical error got resigned. Hence, was appointed as the Additional Director from the date of his erroneous resignation i.e. August 08, 2022. The Consent of Shareholders was obtained for his appointment at the Extra-Ordinary Meeting held on August 10, 2022 and also designated him as the Managing Director of the Company.*

*\$Mr. Jaideep Mittra was appointed as the Additional Independent Director of the Company at the Board Meeting held on March 28, 2022. His directorship was regularized and confirmed by the Members at the Extra-Ordinary General Meeting held on March 31, 2022. However, he had obtained Independent Director Databank Registration Certificate only on July 15, 2022. Therefore, in partial modification of the Shareholders Resolution passed earlier on March 31, 2022 his directorship was then regularized and confirmed by the Members at the Extra-Ordinary General Meeting held on August 10, 2022 as the Independent Director of the Company w.e.f August 08, 2022*

*#Mr. Vinay Agarwal was appointed as the Additional Independent Director of the Company at the Board Meeting held on June 03, 2022. However, he had obtained Independent Director Databank Registration Certificate only on June 07, 2022. His directorship was regularized and confirmed by the Members at the Extra-Ordinary General Meeting held on August 10, 2022 as the Independent Director of the Company w.e.f August 08, 2022*



## **CORPORATE GOVERNANCE**

In addition to the applicable provisions of the Companies Act, 2013 with respect to Corporate Governance, provisions of the SEBI (LODR) Regulation, 2015 will also be complied with the extent applicable to our Company immediately upon the listing of the Equity Shares on the Stock Exchange.

Our Company stands committed to good Corporate Governance practices based on the principles such as accountability, transparency in dealings with our stakeholders, emphasis on communication and transparent reporting. We have complied with the requirements of the applicable regulations, in respect of corporate governance including constitution of the Board and Committees thereof.

The Corporate governance framework is based on an effective Independent Board, the Board's Supervisory role from the executive management team and constitution of the Board Committees, as required under law.

The Board functions either as a full board or through the various committees constituted to oversee specific operational areas.

As on the date of this Draft Prospectus, there are 4 (four) Directors, out of which 1 (one) as Chairman and Managing Director, 1 (one) Non-Executive Director and Women Director, and 2 (two) Non-Executive Independent Directors. Our Company is in compliance with the Corporate Governance norms prescribed under the Companies Act, 2013, particularly, in relation to appointment of Independent Directors to our Board and constitution of Board-level committees.

Our Company undertakes to take all necessary steps to continue to comply with all the requirements of the SEBI (LODR) Regulation, 2015 and the Companies Act, 2013.



## COMMITTEES OF OUR BOARD

The following committees have been constituted in terms of SEBI (LODR) Regulations, 2015 and the Companies Act, 2013:

- a. Audit Committee
- b. Stakeholders' Relationship Committee
- c. Nomination and Remuneration Committee

Details of each of these committees are as follows:

### a. Audit Committee

Our Company has constituted an Audit Committee ("Audit Committee"), as per Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (LODR) Regulation, 2015; vide resolution passed at the meeting of the Board of Directors held on August 10, 2022.

The terms of reference of Audit Committee adheres to the requirements of Regulation 18 of the SEBI (LODR) Regulation, 2015, proposed to be entered into with the Stock Exchange in due course.

The committee presently comprises the following 3 (Three) directors:

Sr. No.	Name of Director	Status in Committee	Nature of Directorship
1.	Vinay Agarwal	Chairman	Non-Executive Independent Director
2.	Maj. Gen. Jaideep Mittra (Retd.)	Member	Non-Executive Independent Director
3.	Mr. Hemant Dharnidharka	Member	Executive Director

The Company Secretary & Compliance Officer of our Company shall act as the Secretary to the Audit Committee.

Set forth below are the scope, functions and the terms of reference of our Audit Committee, in accordance with Section 177 of the Companies Act, 2013 and Regulation 18(3) of the SEBI (LODR) Regulation, 2015.

### Meetings of Audit Committee and Quorum

As required under Regulation 18 of the SEBI (LODR) Regulation, 2015, the Audit Committee shall meet at least 4 (four) times in a year, and not more than 120 (one hundred twenty) days shall elapse between two meetings. The quorum shall be two members present, or one-third of the members, whichever is greater, provided that there should be a minimum of two independent members present.

### **Powers of Audit Committee**

The Audit Committee shall have powers, including the following:

- To investigate any activity within its terms of reference;
- To seek information from any employee;
- To obtain outside legal or other professional advice; and
- To secure attendance of outsiders with relevant expertise, if it considers necessary.

The Chairman of the committee has to attend the Annual General Meetings of the Company to provide clarifications on matters relating to the audit.

### **Role of Audit Committee**

The role of the Audit Committee shall include the following:

1. Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommending to the Board the appointment, re-appointment and replacement, remuneration and terms of appointment of statutory auditor of the Company;
3. Reviewing and monitoring the statutory auditor's independence and performance, and effectiveness of audit process;
4. Approving payments to statutory auditors for any other services rendered by the statutory auditors of the Company;
5. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-Section 3 of Section 134 of the Companies Act, 2013, as amended;
  - b. Changes, if any, in accounting policies and practices and reasons for the same;
  - c. Major accounting entries involving estimates based on the exercise of judgment by the management;
  - d. Significant adjustments made in the financial statements arising out of audit findings;
  - e. Compliance with SEBI Listing Regulations and other legal requirements relating to financial statements;
  - f. Disclosure of any related party transactions; and
  - g. Qualifications / modified opinion(s) in the draft audit report.
6. Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the board for approval;

7. 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;
8. Approval or any subsequent modification of transactions of our Company with related parties and omnibus approval for related party transactions proposed to be entered into by our Company subject to such conditions as may be prescribed;
9. Formulating a policy on related party transactions, which shall include materiality of related party transactions;
10. Scrutinizing of inter-corporate loans and investments;
11. Valuing of undertakings or assets of the Company, wherever it is necessary;
12. Evaluating of internal financial controls and risk management systems;
13. Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances;
14. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
15. 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;
16. Discussing with internal auditors of any significant findings and follow up there on;
17. 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;
18. Discussing 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;
19. Looking 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;
20. Reviewing the functioning of the whistle blower mechanism;
21. Approving the appointment of the Chief Financial Officer (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate; and

22. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee and any other terms of reference as may be decided by the Board and / or specified / provided under the Companies Act, 2013 or SEBI Listing Regulations or by any other regulatory authority.
23. 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.

*Explanation (i):*

*The term “related party transactions” shall have the same meaning as contained in the Accounting Standard 18, Related Party Transactions, issued by The Institute of Chartered Accountants of India.*

*Explanation (ii):*

*If the Issuer has set up an audit committee pursuant to provision of the Companies Act, the said audit committee shall have such additional functions / features as is contained in this clause.*

Further, the Audit Committee shall mandatorily review the following information:

- a. Management discussion and analysis of financial condition and results of operations;
- b. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- c. Management letters / letters of internal control weaknesses issued by the statutory auditors;
- d. Internal audit reports relating to internal control weaknesses; and
- e. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
- f. Statement of deviations:
  - (i) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1);
  - (ii) annual statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice in terms of Regulation 32(7)

## **b. Stakeholders' Relationship Committee**

Our Company has constituted a shareholder / investors grievance committee "Stakeholders' Relationship Committee" to redress complaints of the shareholders. The Stakeholders' Relationship Committee was constituted vide resolution passed at the meeting of the Board of Directors held on August 10, 2022.

### **The Stakeholders' Relationship Committee comprises:**

<b>Sr. No.</b>	<b>Name of Director</b>	<b>Status in Committee</b>	<b>Nature of Directorship</b>
1.	Vinay Agarwal	Chairman	Non-Executive Independent Director
2.	Maj. Gen. Jaideep Mittra (Retd.)	Member	Non-Executive Independent Director
3.	Mr. Hemant Dharnidharka	Member	Executive Director

The Stakeholders' Relationship Committee is in compliance with Section 178 of the Companies Act 2013 and Regulation 20 of the SEBI Listing Regulations. The Company Secretary & Compliance Officer of our Company shall act as the Secretary to the Stakeholders' Relationship Committee.

The Stakeholders Relationship Committee shall oversee all matters pertaining to investors of our Company. The scope and function of the Stakeholders' Relationship Committee and its terms of reference shall include the following

### **Tenure**

The Stakeholder's Relationship Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board, to carry out the functions of the Stakeholder's Relationship Committee as approved by the Board

### **Meetings**

The Stakeholder's Relationship Committee shall meet at least 1 (one) time in a year. The Chairperson of the Stakeholders Relationship Committee shall be present at the annual general meetings to answer queries of the security holders.

### **Role of the Stakeholders' Relationship Committee**

The Committee shall consider and resolve grievances of security holders, including but not limited to:

1. Efficient transfer of shares including review of cases for refusal of transfer / transmission of shares and debentures;
2. Redressing of shareholders and investor complaints such as non-receipt of declared dividend, annual report, transfer of Equity Shares and issue of duplicate / split / consolidated share certificates;

3. Monitoring transfers, transmissions, dematerialization, re-materialization, splitting and consolidation of Equity Shares and other securities issued by our Company, including review of cases for refusal of transfer / transmission of shares and debentures;
4. Allotment and listing of shares in future;
5. Review of cases for refusal of transfer / transmission of shares and debentures;
6. Reference to statutory and regulatory authorities regarding investor grievances;
7. Ensure proper and timely attendance and redressal of investor queries and grievances; and
8. Authorize affixation of common seal of the Company;
9. Formulate procedures in line with the statutory guidelines to ensure speedy disposal of various requests received from shareholders from time to time;
10. To do all such acts, things or deeds as may be necessary or incidental to the exercise of the above powers.

#### **c. Nomination and Remuneration Committee**

Our Company has constituted a Nomination and Remuneration Committee in accordance Section 178 of Companies Act, 2013. The constitution of the Nomination and Remuneration Committee was approved by a Meeting of the Board of Directors held on August 10, 2022. The said committee is comprised as under:

The Nomination and Remuneration Committee comprises the following Directors

<b>Sr. No.</b>	<b>Name of Director</b>	<b>Status in Committee</b>	<b>Nature of Directorship</b>
1.	Vinay Agarwal	Chairman	Non-Executive Independent Director
2.	Maj. Gen. Jaideep Mittra (Retd.)	Member	Non-Executive Independent Director
3.	Preeti Saraogi	Member	Non-Executive Director

The Nomination and Remuneration Committee is in compliance with Section 178 of the Companies Act 2013 and Regulation 19 of the SEBI Listing Regulations. The Company Secretary & Compliance Officer of our Company shall act as the Secretary of the Nomination and Remuneration Committee.

The scope and function of the Committee and its terms of reference shall include the following:

#### **Tenure**

The Nomination and Remuneration Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board.

## Meetings

The committee shall meet as and when the need arises for review of Managerial Remuneration. The quorum for a meeting of the nomination and remuneration committee shall be either two members or one third of the members of the committee, whichever is greater, including atleast one independent director in attendance.

Role of the Nomination and Remuneration Committee not limited to but includes:

1. Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. Formulating of criteria for evaluation of performance of independent Directors and the Board;
3. Devising a policy on Board diversity;
4. Identifying persons who are qualified to become directors of our Company and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. Our Company shall disclose the remuneration policy and the evaluation criteria in its Annual Report of our Company;
5. Determining 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;
6. Analyzing, monitoring and reviewing various human resource and compensation matters;
7. Determining our Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;
8. Determining compensation levels payable to the senior management personnel and other staff (as deemed necessary), usually consisting of a fixed and variable component;
9. Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
10. Performing such functions as are required to be performed by the compensation committee under the SEBI (Share Based Employee Benefits) Regulations, 2014;
11. Framing suitable policies, procedures and systems to ensure that there is no violation, by and employee id any applicable laws in India or Overseas, including:
  - a. the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and
  - b. the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade



Practices Relating to the Securities Market) Regulations, 2003, by the trust, our Company and its employees, as applicable.”

12. Performing such other activities as may be delegated by the Board of Directors and / or specified / provided under the Companies Act, 2013 or SEBI Listing Regulations or by any other regulatory authority.

#### **POLICY ON DISCLOSURES AND INTERNAL PROCEDURE FOR PREVENTION OF INSIDER TRADING**

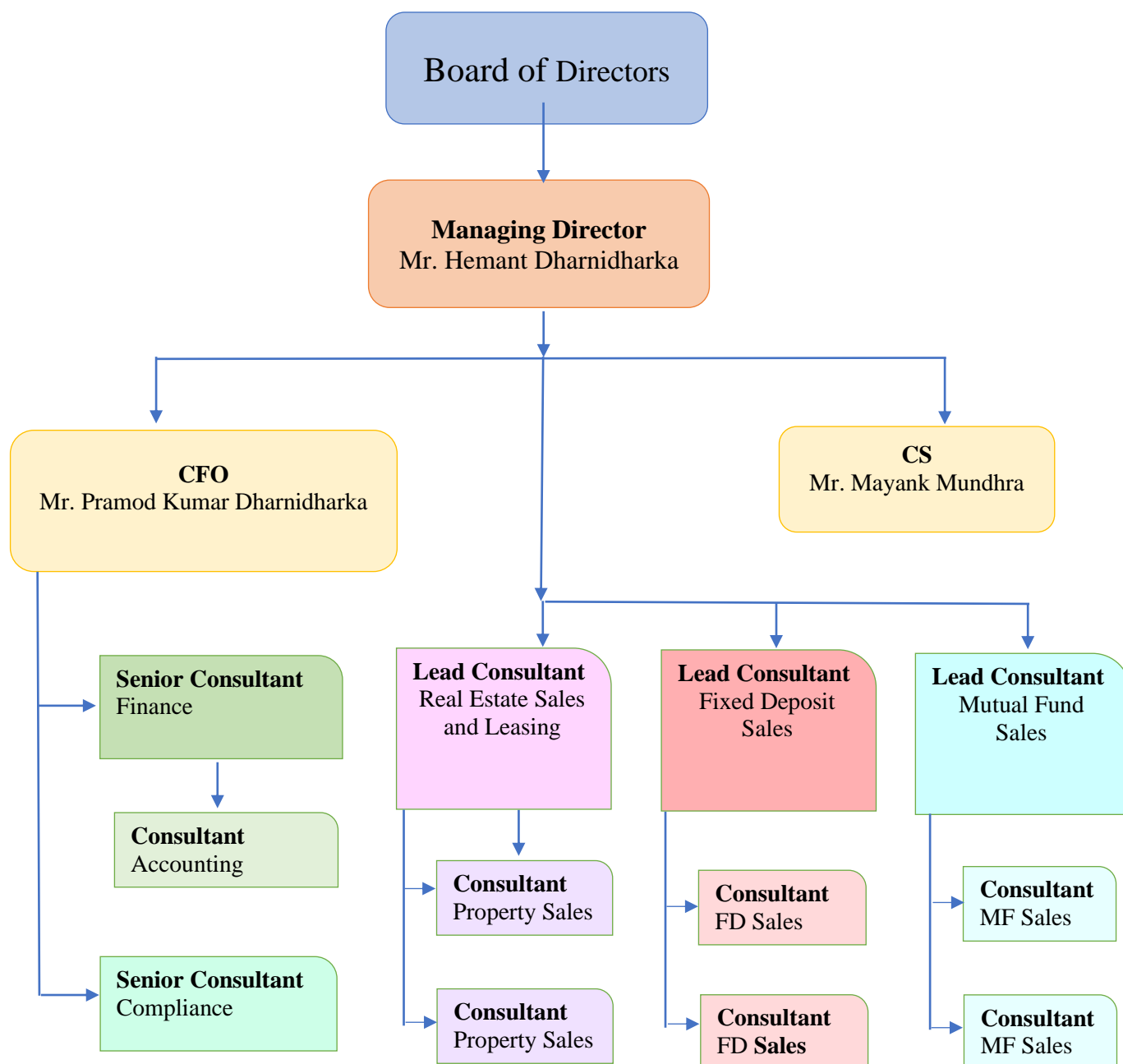
The provisions of Regulation 9(1) of the SEBI (Prohibition of Insider Trading) Regulations, 2015 (“SEBI PIT Regulations”) will be applicable to our Company immediately upon the listing of its Equity Shares on the SME Platform of BSE Limited. We shall comply with the requirements of the SEBI (PIT) Regulations on listing of Equity Shares on stock exchanges. Further, Board of Directors have formulated and adopted the code of conduct to regulate, monitor and report trading by its employees and other connected persons.

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.

#### **POLICY FOR DETERMINATION OF MATERIALITY & MATERIALITY OF RELATED PARTY TRANSACTIONS AND ON DEALING WITH RELATED PARTY TRANSACTIONS**

The provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 will be applicable to our Company immediately upon the listing of Equity Shares of our Company on SME Platform of BSE. We shall comply with the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 on listing of Equity Shares on the SME platform of BSE. The Board of Directors at their meeting held on August 10, 2022 have approved and adopted the policy for determination of materiality and determination of materiality of related party transactions and on dealing with related party transactions.

## ORGANISATION STRUCTURE



## **OUR KEY MANAGERIAL PERSONNEL**

Our Company is managed by our Board of Directors, assisted by qualified and experienced professionals, who are permanent employees of our Company.

Given below are the details of the Key Managerial Personnel of our Company as prescribed under the Companies Act, 2013:

### **Mr. Hemant Dharnidharka – Chairman & Managing Director**

Mr. Hemant Dharnidharka is the Managing Director of our Company. For details, see “Brief Profile of our Director”, see “Our Management” chapter beginning on page 149 of this Draft Prospectus.

### **Mr. Pramod Dharnidharka Chief Financial Officer of the Company.**

Mr. Pramod Dharnidharka is the Chief Financial Officer of the Company. He currently overseas and controls the finance operations of our Company. He was appointed as the Chief Financial Officer at the meeting of Board of Directors with effect from August 08, 2022.

### **Mr. Mayank Mundhra Company Secretary and Compliance Officer**

Mr. Mayank Mundhra, aged 27 years is the Company Secretary and Compliance Officer of our company. He was appointed as Company Secretary and Compliance Officer of our Company at the meeting of the Board of Directors with effect from January 1, 2022. He is an Associate Member of Institute of Company Secretaries of India having Membership No. A66955 from 20th September 2021.

**Term of Office with expiration Date:** Appointed as Company Secretary & Compliance Officer with effect from January 1, 2022.

**Details of service contract:** Not Applicable

**Function and areas of experience:** Responsible for complying with provisions, regulations, acts applicable to the Company.

Mayank Mundhra is a Commerce Graduate from THK Jain college, Kolkata. He is a qualified Company Secretary. He has been an associate member of the Institute of Company Secretaries of India. He underwent his secretarial training at Poonam Binani from 18.05.2016 to 18.08.2017. He handles the secretarial matters at the Company.

## **STATUS OF KEY MANAGERIAL PERSONNEL**

All our Key Managerial Personnel are permanent employees of our Company.

## RELATIONSHIP OF DIRECTORS / PROMOTERS WITH KEY MANAGERIAL PERSONNEL (KMPs)

Except as stated below, none of the above-mentioned key managerial personnel are related to our Promoters or Directors.

There are no arrangements or understanding with major shareholders, customers, suppliers or others, pursuant to which any of the Key Managerial Personnel were selected as members of our senior management.

Sr. No.	Name of KMP's	Directors	Relationship
1.	Mr. Hemant Dharnidharka	Mrs. Preeti Saraogi	Husband – Wife
2.	Mr. Pramod Dharnidharka	Mr. Hemant Dharnidharka	Father- Son

## SHAREHOLDING OF THE KEY MANAGERIAL PERSONNEL

As on date of this Draft Prospectus, except as stated below, our Key Managerial Personnel do not hold any number of Equity Shares of our Company.

Sr. No.	Name of Key Managerial Personnel	No. of Equity Shares Held (Pre-Issue)	% of pre-Issue capital
1.	Mr. Hemant Dharnidharka	1,39,50,000	93.00
2.	Mr. Mayank Mundhra	NIL	N.A.
3.	Mr. Pramod Dharnidharka	10,000	0.06
	<b>TOTAL</b>	<b>1,39,60,000</b>	<b>93.00</b>

## REMUNERATION / COMPENSATION TO OUR KMPs

Set forth below is the remuneration paid by our Company to our KMPs for the financial year ended March 31, 2022:

(in Lakhs)			
Sr. No.	Name of KMP's	Designation	Remuneration paid
1.	Mr. Hemant Dharnidharka*	MD	NIL
2.	Mr. Mayank Mundhra#	Company Secretary & Compliance Officer	0.36
3.	Mr. Pramod Dharnidharka \$	CFO	NIL

\* Appointed as Managing Director on August 08, 2022

# Appointed on January 01, 2022

\$ Appointed as CFO on August 08, 2022

### **BONUS OR PROFIT-SHARING PLAN FOR OUR KEY MANAGERIAL PERSONNEL**

As on the date of this Draft Prospectus our Company does not have any performance linked bonus or profit-sharing plan with any of our 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 as on date of this Draft Prospectus.

### **LOANS TO KEY MANAGERIAL PERSONNEL**

There is no loan outstanding against Key Managerial Personnel as on date of this Draft Prospectus.

### **INTEREST OF KEY MANAGERIAL PERSONNEL**

The Key Managerial Personnel of our Company have interest in our Company to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business and may also be interested to the extent of Equity Shares held by them in our Company, if any and dividends payable thereon, if any. Except as disclosed in this Draft Prospectus, none of our key managerial personnel have been paid any consideration of any nature from our Company, other than their remuneration. Except as stated in the heading titled “Related Party Transactions” under the Section titled “Restated Financial Statements” beginning on page 181 of this Draft Prospectus and described herein above, our key managerial personnel do not have any other interest in the business of our Company.

### **CHANGES IN KEY MANAGERIAL PERSONNEL IN THE LAST THREE YEARS**

Set forth below are the changes in our Key Managerial Personnel in the last 3 (three) years immediately preceding the date of this Draft Prospectus:

<b>Sr. No.</b>	<b>Name</b>	<b>Date of Event</b>	<b>Reason</b>
1.	Mr. Hemant Dharnidharka	08.08.2022	Change in designation as Managing Director
2.	Mr. Mayank Mundhra	01.01.2022	Appointed as Company Secretary & Compliance Officer
3.	Mr. Pramod Dharnidharka	08.08.2022	Appointed as the Chief Financial Officer

## **EMPLOYEES STOCK OPTION SCHEME**

Our Company does not have any Employee Stock Option Scheme / Employee Stock Purchase Scheme as on the date of filing of this Draft Prospectus.

## **PAYMENT OR BENEFIT TO OFFICERS OF OUR COMPANY**

Except as stated in this Draft Prospectus and any statutory payments made by our Company, no non-salary amount or benefit has been paid, in two preceding years, or given or is intended to be paid or given to any of our Company's officers except remuneration of services rendered as Directors, officers or employees of our Company.

Except as stated in the chapter titled "Restated Financial Statements" beginning on page 181. of this Draft Prospectus, none of the beneficiaries of loans and advances and sundry debtors are related to our Company, our Directors, Our Key Managerial Personnel or our Promoters.

## **ARRANGEMENTS AND UNDERSTANDING WITH MAJOR SHAREHOLDERS**

None of our Key Managerial Personnel or Directors has been appointed pursuant to any arrangement or understanding with our major shareholders, customers, suppliers or others. For more information, please refer chapter titled "History and Certain Other Corporate Matters" beginning on page 142 of this Draft Prospectus.

## **ATTRITION OF KEY MANAGERIAL PERSONNEL**

There is no attrition of Key Managerial Personnel in our Company compared to the Industry.


## **EMPLOYEES**

The details about our employees appear under the Paragraph titled —Human Resource in Chapter Titled — Business Overview beginning on page 218 of this Draft Prospectus.

## OUR PROMOTERS AND PROMOTER GROUP

*As on the date of this Draft Prospectus, the Promoters of our Company are Mr. Hemant Dharnidharka and Mrs. Preeti Saraogi, Our Promoters along with Promoter Group together holds 1,50,00,000 Equity Shares, representing 100.00% of the pre-Issue issued, subscribed and paid-up Equity Share capital of our Company. For details of the build-up of our Promoters' shareholding in our Company, see "Capital Structure – Details of Build-up of our Promoters' shareholding" on page 78 of this Draft Prospectus.*

BRIEF PROFILE OF OUR PROMOTERS ARE AS UNDER

<b>Mr. Hemant Dharnidharka</b>	
	<p><b>Mr. Hemant Dharnidharka</b> as the Promoter of Dharni Capital Services Limited, is heading the overall operations of the Group. He has been responsible for developing large strategic business endeavors for DHARNI Group and has been very successful with collaborating and creating relationships.</p>
	<p>Hemant is a Commerce Graduate from St. Xavier's College, Kolkata and PGD in Management from IIM-Lucknow. He has also completed Chartered Accountancy and Company Secretary Courses. He also possesses Certification from Association of Mutual Funds of India (AMFI) in Mutual Funds, NCFM Certification in Derivatives. He has an overall Experience of 22 years in the Finance Industry. He was last working as Managing Director with SJS Markets in Bangalore. He has previously worked with YL eServices, Frontline Analysts, Cadbury and Citibank.</p>
Father's Name	<b>Mr. Pramod Kumar Dharnidharka</b>
Date of Birth	<b>22-04-1980</b>
Qualification	<b>CA, CS, B.Com, PGD in Management</b>
Occupation	<b>Business</b>
Nationality	<b>Indian</b>
Address	<b>15064, Prestige Shantinikeran, Whitefield Main Road, Near ITPL, Bangalore, Karnataka 560048.</b>
Permanent Account No.	<b>AGJPD5637R</b>
Other Interest	<ul style="list-style-type: none"> <li>• Learning Evolution Solutions Private Limited</li> <li>• Dharni Consulting Private Limited</li> <li>• Kuvaer Capital Services LLP</li> <li>• Dharni Property Investments 1 LLP</li> </ul>



<b>Mrs. Preeti Saraogi</b>	
	<p><b>Mrs. Preeti Saraogi</b> is a promoter of Dharni Capital Services Limited and wife of Mr. Hemant Dharnidharka. She has been involved with the Company's activities since the inception of the Company. Preeti is a B.com Graduate and has done her PGD in HRM in 2010. She handles HR and admin matters at the Company.</p>
Father's Name	<b>Mr. Subhash Chander Saraogi</b>
Date of Birth	<b>23-09-1986</b>
Qualification	<b>B.Com, PGD in HRM</b>
Occupation	<b>Business</b>
Nationality	<b>Indian</b>
Address	<b>15064, Prestige Shantiniketan, Whitefield Main Road, Near ITPL, Bangalore, Karnataka 560048.</b>
Permanent Account No.	<b>07339758</b>
Other Interest	<ul style="list-style-type: none"> <li>• Dharni Consulting Private Limited</li> <li>• Kuvaer Capital Services LLP</li> <li>• Dharni Property Investments 1 LLP</li> </ul>

For the complete profile of our Promoters - educational qualifications, professional experience, position / posts held in the past, directorships held, special achievements and business and financial activities, see "Our Management" on page 149 of this Draft Prospectus.

## **DECLARATION**

1. We declare and confirm that the details of the permanent account number, Aadhar number, passport number and bank account number of our Promoters has been submitted to the Stock Exchange at the time of filing of the Draft Prospectus with the Stock Exchange
2. Our Promoter and the members of our Promoter Group have confirmed that they have not been identified as willful defaulters or fraudulent borrowers by the RBI or any other governmental authority.
3. Our Promoter has not been declared as a fugitive economic offender under the provisions of section 12 of the Fugitive Economic Offenders Act, 2018.
4. No violations of securities law have been committed by our Promoter or members of our

Promoter Group or any Group Companies in the past or is currently pending against him.

None of (i) our Promoter and members of our Promoter Group or persons in control of or on the boards of bodies corporate forming part of our Group Companies (ii) the Companies with which any of our Promoter are or were associated as a promoter, director or person in control, 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.

### **Undertaking/ Confirmations**

None of our Promoter or Promoter Group or Group Company or person in control of our Company has been:

- prohibited or debarred from accessing or operating in the capital market or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other authority or
- refused listing of any of the securities issued by such entity by any stock exchange, in India or abroad.

No material regulatory or disciplinary action is taken by any by a stock exchange or regulatory authority in the past one year in respect of our Promoter, Group Company and Company promoted by the promoter of our company.

There are no defaults in respect of payment of interest and principal to the debenture / bond / fixed deposit holders, banks, FIs by our Company, our Promoter, Group Company and Company promoted by the promoter during the past three years.

The litigation record, the nature of litigation, and status of litigation of our Company, Promoter, Group company and Company promoted by the Promoter are disclosed in chapter titled “Outstanding Litigations and Material Developments” beginning on page 229 of this Draft Prospectus.

### **CHANGE IN CONTROL OF OUR COMPANY**

There has not been any change in the control of our Company in the five years immediately preceding the date of this Draft Prospectus.

### **EXPERIENCE OF OUR PROMOTER IN THE BUSINESS OF OUR COMPANY**

For details in relation to experience of our Promoter in the business of our Company, please refer the chapter “Our Management” beginning on page 149 of this Draft Prospectus.

### **INTEREST OF OUR PROMOTERS**

Our Promoters does not have any interest in our Company except to the extent of compensation payable / paid and reimbursement of expenses (if applicable) and to the extent

of any equity shares held by him or his relatives and associates and to the extent of benefits arising out of such shareholding. For further details please see the chapters titled “Capital Structure”, “Financial Information” and “Our Management” beginning on page 78, 181 and 149 of this Draft Prospectus.

Except as stated otherwise in this Draft Prospectus, we have not entered into any contract, agreements or arrangements in which our Promoters is directly or indirectly interested and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be made with them including the properties purchased by our Company and development rights entered into by our Company other than in the normal course of business. For further details, please refer the section titled “Related Party Transactions” in chapter “Restated Financial Statements” beginning on page no. 213 of this Draft Prospectus.

### ***Interest of the Promoter in promotion of our Company***

Except as stated in the heading titled “Properties” under the chapter titled “Our Business” and “Restated Financial Statements” beginning on page 134 and 181 respectively, of this Draft Prospectus, our Promoter have confirmed that they do not have any interest in any property acquired by our Company within three years preceding the date of this Draft Prospectus or proposed to be acquired by our Company as on the date of this Draft Prospectus.

Further, other than as mentioned in the chapter titled “Our Business” beginning on page 127 of this Draft Prospectus our Promoter does not have any interest in any transactions in the acquisition of land, construction of any building or supply of any machinery

### ***Interest in our Company arising out of being a member of a firm or company***

Our Promoters are not interested as member of a firm or company, and no sum has been paid or agreed to be paid to him or to such firm or company in cash or shares or otherwise by any person either to induce such person to become, or qualify him as a director, or otherwise for services rendered by them or by such firm or company in connection with the promotion or formation of our Company.

### ***Interest in our Company other than as Promoter***

Except as mentioned in this chapter and chapters titled “Our Business”, “History and Certain Corporate Matters”, “Our Management” and “Restated Financial Statements” beginning on pages 127, 142, 149 and 181 respectively, our Promoter does not have any other interest in our Company.

### ***Related Party Transactions***

For the transactions with our Promoter Group entities please refer to section titled Related Party Transactions under chapter titled “Financial Information of our Company” beginning on page 181 of this Draft Prospectus.

### ***Other ventures of our Promoter***

Save and except as disclosed in this section titled “Our Promoter and Promoter Group” and “Our Group Companies” beginning on page 173 & 180 respectively of this Draft Prospectus, there are no ventures promoted by our Promoter in which they have any business interests/ other interests as on date of this Draft Prospectus

### **COMMON PURSUITS OF OUR PROMOTER**

Except as disclosed above, our Promoter is not involved with any ventures which are in the same line of activity or business as that of our Company.

None of the promoter group companies/firms are engaged in similar line of business as our Company as on date of this Draft Prospectus. For further details of our Group Companies refer to Section titled “Our Group Companies” on page 180 of this Draft Prospectus.

### **BUSINESS INTERESTS**

Our Promoters are not interested as a member of a firm or company, and no sum has been paid or agreed to be paid to our Promoter or to such firm or company in cash or shares or otherwise by any person for services rendered by it or by such firm or company in connection with the promotion or formation of our Company.

Our Company has not entered into any contract, agreements or arrangements during the preceding two years from the date of filing of this Draft Prospectus or proposes to enter into any such contract in which our Promoter is directly or indirectly interested and no payments have been made to it in respect of the contracts, agreements or arrangements which are proposed to be made with it.

### **PAYMENT OF AMOUNTS OR BENEFITS TO THE PROMOTER OR PROMOTER GROUP DURING THE LAST TWO YEARS**

Except as stated in the chapter titled “Restated Financial Statements” beginning on page 181 of this Draft Prospectus, there has been no payment of benefits to our Promoter or Promoter Group during the two years preceding the date of this Draft Prospectus.

### **MATERIAL GUARANTEES GIVEN TO THIRD PARTIES**

Except as stated in the “Restated Financial Statements” beginning on page 181 of this Draft Prospectus, our Promoters have not given material guarantees to the third party(ies) with respect to the specified securities of our Company.

### **LITIGATION INVOLVING OUR PROMOTERS**

For details relating to legal proceedings involving the Promoters, please refer “Outstanding Litigation and Material Developments” beginning on page 229 of this Draft Prospectus.

## COMPANIES WITH WHICH OUR PROMOTERS HAVE DISASSOCIATED IN THE PRECEDING THREE YEARS

Our Promoters have not disassociated themselves from any companies, firms or entities during the last three years preceding the date of this Draft Prospectus.

### OUR PROMOTER GROUP

Apart from our Promoter, as per Regulation 2(1)(pp) of the SEBI ICDR Regulations, the following individuals and entities shall form part of our Promoter Group:

#### A. Natural Persons who form part of our Promoter Group:

As per Regulation 2(1)(pp)(ii) of the SEBI ICDR Regulations, the following individuals form part of our Promoter Group:

Details of Individual Promoters		
Natural Persons		
Name of the Promoter	Mr. Hemant Dharnidharka	Mrs. Preeti Saraogi
Relation with Promoter		
Father	Mr. Pramod Kumar Dharnidharka	Mr. Subhash Chander Saraogi
Mother	Late Mrs. Urmila Dharnidharka	Anju Devi Saraogi
Spouse	Mrs. Preeti Saraogi	Mr. Hemant Dharnidharka
Brother(s)	-	Navneet Saraogi
Sister(s)	Khushboo Kanodia, Payal Mohta	Nisha Agarwal
Son(s)	Vihaan H Dharnidharka	Vihaan H Dharnidharka
Daughter(s)	Prisha Dharnidharka	Prisha Dharnidharka
Spouse's Father	Mr. Subhash Chander Saraogi	Mr. Pramod Kumar Dharnidharka
Spouse's Mother	Anju Devi Saraogi	Late Mrs. Urmila Dharnidharka
Spouse's Brother(s)	Navneet Saraogi	-
Spouse's Sister(s)	Nisha Agarwal	Khushboo Kanodia, Payal Mohta

#### B. Entities forming part of the Promoter Group pursuant to Regulation 2(1)(pp)(iv) of the SEBI ICDR Regulations

As per Regulation 2(1)(pp)(iv) of the SEBI ICDR Regulations, the following Companies/Trusts/ Partnership firms/HUFs or Sole Proprietorships are forming part of our Promoter Group

Sr. No.	Name
1.	Hemant Dharnidharka – HUF

2.	Pramod Kumar Dharnidharka – HUF
3.	Kuvaer Capital Services LLP
4.	Dharni Properties
5.	Dharni Property Investments I LLP

**C. All persons whose shareholding is aggregated pursuant to Regulation 2(1)(pp)(v) of the SEBI ICDR Regulations for the purpose of disclosing in the Draft Prospectus under the heading “shareholding of the promoter group”**

Sr. No.	Name
1.	Pramod Kumar Dharnidharka
2.	Payal Mohta
3.	Khushboo Kanodia

## **SHAREHOLDING OF THE PROMOTER GROUP IN OUR COMPANY**

For details of shareholding of members of our Promoter Group as on the date of this Draft Prospectus, please see the chapter titled “Capital Structure” beginning on page 78 of this Draft Prospectus.

## **OUTSTANDING LITIGATIONS**

There is no outstanding litigation against our Promoter except as disclosed in the section titled “Risk Factors” and chapter titled “Outstanding Litigations and Material Developments” beginning on pages 31 and 229 respectively of this Draft Prospectus.

## **DIVIDEND POLICY**

Under the Companies Act, 2013, our Company can pay dividends upon a recommendation by its Board of Directors and approval by a majority of the shareholders. The shareholders of our Company have the right to decrease, not to increase the amount of dividend recommended by the Board of Directors. The dividends may be paid out of profits of a company in the year in which the dividend is declared or out of the undistributed profits or reserves of the previous years or out of both. The Articles of Association of our Company also gives the discretion to our Board of Directors to declare and pay interim dividends.

There are no dividends declared by our Company since incorporation.

Our Company does not have a formal dividend policy. Any dividends to be declared shall be recommended by the Board of Directors depending upon the financial condition, results of operations, capital requirements and surplus, contractual obligations and restrictions, the terms of the credit facilities and other financing arrangements of our Company at the time a dividend is considered, and other relevant factors and approved by the Equity Shareholders at their discretion.

## **OUR GROUP COMPANY**

In terms of the SEBI (ICDR) Regulations, the term “group companies”, includes (i) such companies (other than promoter(s) and subsidiary(ies) with which the relevant issuer company had related party transactions during the period for which financial information is disclosed, as covered under applicable accounting standards, and (ii) any other companies considered material by the board of directors of the relevant issuer company. Accordingly, for (i) above, all such companies (other than our Subsidiaries) with which there were related party transactions during the periods covered in the Restated Financial Statement, as covered under the applicable accounting standards, shall be considered as Group Companies in terms of the SEBI (ICDR) Regulations. For the purpose of avoidance of doubt and pursuant to regulation 2(1)(t) of SEBI (ICDR) Regulations, 2018 it is clarified that our promoters and subsidiaries will not be considered as Group Companies.

In terms of the SEBI (ICDR) Regulations and in terms of the policy of materiality defined by the Board of Directors pursuant to its resolution dated August 10, 2022 our Group Companies includes:

Those companies disclosed as having related party transactions in accordance with Accounting Standard (“AS 18”) issued by the Institute of Chartered Accountants of India, in the Restated Financial Statements of the Company for the last three financial years, Provided, companies which have been disclosed as related parties in the Restated Financial Statements of our Company for the last three financial years, and which are no longer associated with our Company have not been disclosed as Group Companies.

Accordingly, pursuant to the said resolution passed by our Board of Directors and the materiality policy adopted, for determining our Group Companies, no companies have been identified and considered as the Group Company of our Company.



## SECTION VII –RESTATED FINANCIAL STATEMENTS

### INDEPENDENT AUDITORS' REPORT

**TO THE MEMBERS OF M/S. DHARNI CAPITAL SERVICES LIMITED {Formerly known as Dharni Online Services Private Limited and Dharni Capital Services Private Limited) - BANGALORE:**

#### **Report on the Financial Statements Opinion**

We have audited the accompanying financial statements of **M/s. Dharni Capital Services Limited** (Formerly known as Dharni Online Services Private Limited and Dharni Capital Services Private Limited), Bangalore ('the Company'), which comprise the Balance Sheet as at 31st March 2022, the Statement of Profit and Loss for the year ended March 31, 2022, and notes to the Financial Statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the company as at 31st March 2022, and its Profit, and its cash flow for the year ended March 31, 2022.

#### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

#### **Information Other than the Financial Statements and Auditors' Report Thereon**

The Company's Board of Directors is responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, and cash flows of the company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Standards on Auditing (SAs), we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain

audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### **Report on Other Legal and Regulatory Requirements**

1) As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the 'Annexure - I' a statement on the matters specified in paragraphs 3 and 4 of the Order.

2) As required by Section 143 (3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

- (b) In our opinion, proper books of account as required by law have been kept by the company so far as it appears from our examination of those books
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2022 taken on record by the board of directors, none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the Internal Financial Controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure - II'.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company does not have any pending litigations which would impact its financial position.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv. The management has represented that, to the best of its knowledge and belief:
    - a) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall 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 provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
    - b) No funds have been received by the company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security, or the like on behalf of the Ultimate Beneficiaries, and

- c) Based on such audit procedures that has been considered reasonable and appropriate in the circumstances performed by us on the Company, nothing has come to our notice that has caused us to believe that the representations under sub-clause (iv) (a) and (iv) (b) contain any material mis-statement.
- v. No dividend has been declared or paid during the year by the company.

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For B S D & Co.  
Chartered Accountants  
Firm Registration No. 000312S

Bengaluru  
August 30, 2022.

Rishav Saraf  
(Partner)  
Membership No.:230591  
UDIN: 22230591ARNDKJ2666

**TO THE MEMBERS OF M/S. DHARNI CAPITAL SERVICES LIMITED (Formerly known as Dharni Online Services Private Limited and Dharni Capital Services Private Limited) - BANGALORE:**

**ANNEXURE - I TO THE INDEPENDENT AUDITORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2022**

(Referred to in paragraph (1) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

i.

a)

A) The company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

B) The Company did not have any intangible assets during the year, hence this clause is not applicable.

b) As explained to us, the Property, Plant and Equipment were physically verified by the management, which in our opinion is reasonable having regard to the size of the company and the nature of its assets. According to information and explanations given to us no material discrepancies were noticed on such verification when compared to book figures.

c) The company did not have any immovable properties during the year.

d) The company has not revalued its Property, Plant & Equipment or Intangible assets or both during the year.

e) According to information and explanations given to us, the company does not hold any benami properties and no proceedings have been initiated or pending against the company for holding benami property under The Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

ii.

a) The Company does not have any inventories during the year; hence this clause is not applicable.

b) The Company does not have working capital limit in excess of 5crores, in aggregate, from banks or financial institutions. Hence reporting on this clause it is not applicable.

iii. During the year the company has made investment in Equity shares, debentures, bonds of companies and other investments in REIT and mutual funds.

a) During the year the company has not provided loans, advances in nature of loans or stood guarantee to or provided any security to any other entity.

b) According to the information given and explanations provided investment made are not prejudicial to the company's interest.

- c) There are no loans and advances given by the company. Hence this clause is not applicable.
  - d) The clause regarding the overdue amount and steps taken for recovery is not applicable
  - e) There are no loans and advances renewed or extended during the year. Hence this clause is not applicable.
  - f) The company has not granted any loans or advance in the nature of loans either repayable on demand or without specifying any terms or period of repayment. Hence this clause is not applicable.
- iv. In respect of loans, investments, guarantees and security, the company has complied with the provisions of Sections 185 and 186 of the Act, wherever applicable.
- v. The Company has not accepted any deposits during the year from the public within the meaning of the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and rules framed there under.
- vi. Maintenance of cost records has not been specified by the Central Government under sub-section (I) of section 148 of the Companies Act.
- vii.
- a) According to the information and explanation given to us, the company, in general, is regular in depositing undisputed statutory dues including Goods and Services Tax, income tax, cess and other statutory dues to the appropriate authorities whichever applicable. According to the information and explanations given to us, there are no undisputed amounts payable in respect of such statutory dues which have remained outstanding as at 31st March 2022 for a period more than six months from the date they became payable.
  - b) According to the information and explanations given to us, there are no statutory dues referred to in clause (a) above that have not been deposited on account of any dispute.
- viii. According to information and explanations given to us, there are no transactions which are not recorded in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- ix. According to the information and explanations given to us, the company has not taken any loans or borrowed any funds during the year. Hence commenting on clauses ix (a) to (f) are not applicable for the year.
- x.
- a) The company has not raised any money by way of initial public offer or further public offer (including debt instrument) during the year.



- b) During the year the company has raised the capital by way of right issue. The requirements of section 62 of companies Act 2013 have been complied with and funds raised have been used for the purpose for which the funds were raised.
- xi.
- a) According to the information and explanations given to us, no fraud by the company and no fraud on the company by its officers/employees has been noticed or reported during the year under report.
- b) No report under sub-section (12) of section 143 of the Companies Act has been filed by us in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- c) No whistle-blower complaints has been noticed or brought to our notice during the year.
- xii. The Company is not a Nidhi Company.
- xiii. According to the information and explanations given to us, the transactions with the related parties are in compliance with Section 188 of the Act and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- xiv. In our opinion and based on our examination, the company does not have an internal audit system and is not required to have an internal audit system as per provisions of the Companies Act 2013. Hence reporting of Clause xiv (a) & (b) is not applicable.
- xv. According to information and explanations given to us, the company has not entered into any non-cash transactions during the year with directors or persons connected with them.
- xvi.
- a) The company is not required to be registered under section 45-IA of Reserve Bank of India Act, 1934.
- b) The company has not conducted any Non- Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934
- c) The company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.
- d) The Group does not have any CIC's as part of the Group.
- xvii. The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- xviii. There has been no resignation of Statutory Auditors during the year.

- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We further state that our reporting is based on the facts only up to the date of the audit report.
- xx. The company does not have any unspent amount that needs to be transferred to a Fund specified in Schedule VII to the Companies Act. Accordingly, clauses xx (a) and (b) of the Order are not applicable.
- xxi. The company does not have any subsidiary companies and not required to present consolidated financial statements.

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For BSD & Co.  
Chartered Accountants

Rishav Saraf  
(Partner)  
Membership No.:230591  
UDIN: 22230591ARNDKJ2666

**ANNEXURE -II TO THE INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

We have audited the Internal Financial Controls over Financial Reporting of **DHARNI CAPITAL SERVICES LIMITED (Formerly known as Dharni Online Services Private Limited and Dharni Capital Services Private Limited)** ("the Company") as of 31 March 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of

internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2022, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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**RESTATED FINANCIAL STATEMENTS  
ANNEXURE I**

(₹ in Lakhs)

	Particulars	Note No.	As at 31.03.2022	As at 31.03.2021	As at 31.03.2020
	1	2	3	4	5
	<b>ASSETS</b>				
1	<b>Non-Current Assets</b>				
	(a) Property, Plant and Equipment	2	11.17	15.85	7.62
	(b) Capital Work-in-Progress	2	0.00	0.00	0.00
	(c) Financial Assets				
	(i) Investments	3	115.20	0.00	0.00
	(d) Deferred Tax Assets (Net)	4	1.85	1.38	1.25
	(e) Other Non-Current Assets	5	0.00	0.61	0.00
2	<b>Current Assets</b>				
	(a) Inventories		0.00	0.00	0.00
	(b) Financial Assets				
	(i) Trade Receivables	6	20.22	0.00	1.20
	(ii) Cash and Cash Equivalents	7	83.63	0.45	0.57
	(c) Current Tax Assets (Net)	8	1.53	1.20	0.28
	(d) Other Current Assets	9	11.64	5.86	8.24
	<b>Total Assets</b>		<b>245.24</b>	<b>25.35</b>	<b>19.16</b>
	<b>EQUITY AND LIABILITIES</b>				
1	<b>Equity</b>				
	(a) Equity Share Capital	10	150.00	1.00	1.00
	(b) Other Equity	11	76.74	10.16	-5.10
	<b>Liabilities</b>				
2	<b>Non-Current Liabilities</b>				
	(a) Financial Liabilities				
	(i) Borrowings	12	0.00	9.35	22.48
2	<b>Current Liabilities</b>				
	(a) Financial Liabilities				
	(i) Trade Payables	13	0.43	0.93	0.30
	(b) Other current liabilities	14	17.32	3.74	0.38
	(c) Provisions	15	0.50	0.09	0.10
	(d) Current Tax Liabilities (Net)	16	0.25	0.08	0.00
	<b>Total Equity and Liabilities</b>		<b>245.24</b>	<b>25.35</b>	<b>19.16</b>

**ANNEXURE II**  
**RESTATED STATEMENT OF PROFIT & LOSS**

(₹ in Lakhs)

	Particulars	Note No.	For the Year ended 31.03.2022	For the Year ended 31.03.2021	For the Year ended 31.03.2020
I	Revenue From Operations	17	1,465.28	255.41	19.78
II	Other Income	18	4.12	0.00	0.09
III	Total Income (I+II)		<b>1,469.40</b>	<b>255.41</b>	<b>19.87</b>
IV	<b>EXPENSES</b>				
	Cost of Materials Consumed		0.00	0.00	0.00
	Employee Benefits Expense	19	0.37	0.00	0.00
	Finance Costs	20	0.01	0.01	0.02
	Depreciation and Amortization Expense	1	5.46	2.36	3.49
	Other Expenses	21	1,334.69	233.51	15.32
	<b>Total Expenses (IV)</b>		<b>1,340.53</b>	<b>235.88</b>	<b>18.83</b>
V	Profit/(Loss) Before Tax (III-IV)		128.87	19.53	1.04
	<b>Tax Expense:</b>				
	(1) Current Tax		32.76	4.40	0.16
VI	(2) Deferred Tax		-0.47	-0.13	-0.30
	(3) Tax of Earlier Years				
	(4) MAT Credit Entitlement		0.00	0.00	-0.16
VII	Profit (Loss) for the Period (V-VI)		96.58	15.26	1.34
	<b>Other Comprehensive Income</b>				
	(i) Items that will not be reclassified to Profit/Loss				
	-Additional Depreciation due to change in estimate		0.00	0.00	0.00
VIII	(ii) Income tax relating to above				
	-Deferred Tax on above		0.00	0.00	0.00
	(i) Items that will be reclassified to Profit/Loss		0.00	0.00	0.00
	(ii) Income tax relating to above		0.00	0.00	0.00
IX	Other Comprehensive Income for the Period		-	-	-
X	Total Comprehensive Income for the Period (VII+IX)		96.58	15.26	1.34
	Earnings per Equity Share				
X	(1) Basic	21	3.66	15.26	1.34
	(2) Diluted		3.66	15.26	1.34

**ANNEXURE III**  
**STATEMENT OF CHANGES IN EQUITY**

**A. Equity Share Capital**

**Authorised equity share capital**

Particulars	Number of shares	Amount (lakhs)
As at 1st April 2021	10,00,000	10.00
Increase during the year	1,70,00,000	170.00
As at 31st March 2022	1,80,00,000	180.00

**Subscribed and Paid up share capital**

Particulars	Note No	Number of shares	Amount (lakhs)
As at 1st April 2021		1,00,000	1.00
Increase during the year	10	1,49,00,000	149.00
As at 31st March 2022		1,50,00,000	150.00

**B. Other Equity**

	Reserves and Surplus			
	Securities Premium Reserve	General Reserve	Retained Earnings	Total
<b>Balance as at 1st April 2020</b>	<b>0.00</b>	<b>0.00</b>	<b>-5.11</b>	<b>-5.11</b>
Changes in accounting policy or prior period errors	0.00	0.00	0.00	0.00
Restated balance at the beginning of the reporting period	0.00	0.00	0.00	0.00
Current Year Profit/ Loss	0.00	0.00	15.26	15.26
Other Comprehensive Income	0.00	0.00	0.00	0.00
Any other change (to be specified)	0.00	0.00	0.00	0.00
<b>Balance at the 31st March 2021</b>	<b>0.00</b>	<b>0.00</b>	<b>10.15</b>	<b>10.15</b>
Changes in accounting policy or prior period errors	0.00	0.00	0.00	0.00
Restated balance at the beginning of the reporting period	0.00	0.00	0.00	0.00
Current Year Profit/ Loss	0.00	0.00	96.58	96.58
Other Comprehensive Income	0.00	0.00	0.00	0.00
Any other change - Shares issued at premium	115.50	0.00	0.00	115.50
Less: Utilized during the year	-115.50	0.00	-30.00	-145.50
<b>Balance at the 31st March 2022</b>	<b>0.00</b>	<b>0.00</b>	<b>76.73</b>	<b>76.73</b>



**ANNEXURE IV**  
**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2022**  
(₹ in Lakhs)

	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>A</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
	<b>Net Profit/(loss) Before Tax</b>	128.87	19.53	1.04
	Adjustments for:			
	Depreciation	5.46	3.52	3.54
	Interest & Finance Charges			
	<b>Less: Non-operating Income</b>			
	Dividend Received	0.33	0.00	0.00
	Interest Received	3.54	0.00	0.00
	Other non-operating income	0.23	0.00	0.00
	<b>Operating Profit before Working Capital Changes</b>	<b>130.23</b>	<b>23.05</b>	<b>4.58</b>
	<b>Adjustments for:</b>			
	Decrease/(Increase) in Receivables	(20.22)	1.20	(0.11)
	Decrease/(Increase) in Short-term Advances			
	Decrease/(Increase) in Current Tax Assets	(34.22)	(2.78)	(1.86)
	Decrease/(Increase) in Inventories	0.00	0.00	0.00
	Increase/(Decrease) in Short-term Borrowings	0.00	0.00	0.00
	Increase/(Decrease) in Payables	(0.50)	0.63	0.30
	Increase/(Decrease) in other current liabilities	13.58	3.36	(0.88)
	Increase/(Decrease) in long term provisions	0.00	0.00	0.00
	Increase/(Decrease) in short term provisions	(4.07)	(0.10)	(0.45)
	<b>Cash generated from operations</b>	<b>84.80</b>	<b>25.36</b>	<b>1.58</b>
	Income Tax paid			0.16
	<b>Net Cash flow from Operating activities</b>	<b>84.80</b>	<b>25.36</b>	<b>1.74</b>
<b>B</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
	Purchase of Fixed Assets(Including amount Spent on Capital Work-In-Progress)	(0.78)	(11.75)	(0.84)
	Decrease/(Increase) in Investments	(115.20)	0.00	0.00
	Decrease/(Increase) other non-current assets	0.61	(0.61)	0.00
	Add: Dividend Received	0.33	0.00	0.00

	Add: Interest Received	3.54	0.00	0.00
	Add: Other non-operating income	0.23	0.00	0.00
	<b>Net Cash used in Investing activities</b>	<b>(111.27)</b>	<b>(12.36)</b>	<b>(0.84)</b>
<b>C</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
	Increase\ (Decrease) in Long-term Borrowings	(9.35)	(13.13)	(3.04)
	Increase in Share Capital	119.00	0.00	0.00
	Interest paid	0.00	0.00	0.00
	<b>Net Cash used in financing activities</b>	<b>109.65</b>	<b>(13.13)</b>	<b>(3.04)</b>
	<b>Net change in cash &amp; Cash Equivalents(A+B+C)</b>	<b>82.18</b>	<b>(0.13)</b>	<b>(2.14)</b>
	Cash and Cash equivalents at Beginning of the year	0.45	0.57	2.70
	Cash and Cash equivalents at the end of the year	83.63	0.45	0.57
	<b>Net change in cash &amp; Cash Equivalents</b>	<b>83.18</b>	<b>-0.12</b>	<b>-2.13</b>

**ANNEXURE V**  
**SIGNIFICANT ACCOUNTING POLICIES**

Note No	Particulars
1.	<p><b><u>Significant accounting policies:</u></b></p> <p><b>a) Basis of Preparation and Presentation of Financial Statements</b></p> <p>The financial statements of the company have been prepared in accordance with the Indian Accounting Standards ("Ind AS") as notified by the Ministry of corporate Affairs pursuant to section 133 of the companies Act, 2013 ("Act"), the companies (Indian Accounting Standards) Rules, 2015, as amended, and other applicable provisions of the Act.</p> <p>The financial statements of the company for the year ended March 31, 2022, are the first financials prepared in compliance with Ind AS recognition and measurement principles and Ind AS 101, First Time Adoption of Indian Accounting Standards. The date of transition to Ind AS is April 1, 2021. The financial Statements upto the year ended March 31, 2021, were prepared in accordance with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended), and other applicable provisions of the Act, considered as the " Previous GAAP". The financial statements for the year ended March 31, 2021, and opening Balance sheet as at April 1, 2021, have been restated in accordance with the Ind AS recognition and measurement principles. Reconciliations and explanations of the effect of transition from previous GAAP to Ind AS on the Company's Equity, Total Comprehensive Income and Cash Flows are provided.</p> <p>The Balance Sheet, Statement of Profit and Loss and Statement of Changes in Equity have been prepared and presented in the format prescribed in the Division II of the Schedule III to the Companies Act, 2013. Statement of cash flows has been prepared and presented as per the requirements of Ind AS 7 Statement of Cash Flows. The disclosure requirements with respect to the items in the Balance Sheet and Statement of Profit and Loss Account are presented by way of notes forming part of financial statements.</p> <p>The Company has considered a period of twelve months as the operating cycle for classification of assets and liabilities as current and non-current</p> <p><b>Basis of Measurement</b></p> <p>These financial statements have been prepared based on accrual and going concern principles following the historical cost conventions except for those financial assets and liabilities that are measured at fair value.</p> <p><b>b) Key Estimates &amp; Assumptions</b></p> <p>In preparing these Ind AS compliant financial statements, the Management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities (including contingent liabilities), income and expenses. The Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable and a continuous evaluation is done on the estimation and judgements based on historical experience and other factors.</p>

	<p><b>c) Foreign Currency Translations and Transactions</b> Foreign currency transactions are translated into the functional currency using the exchange rates on the dates of the transactions. Foreign exchange gain and loss arising from the settlement of these transactions, and from the translation of monetary assets and liabilities at the reporting date exchange rates are recognized in the statement of Profit and Loss. Non - monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate on the date of the transaction. The company has not entered into any foreign exchange forward contracts during the year.</p> <p><b>d) Inventories</b> Value of inventories are measured at lower of cost or net realizable value. The cost of inventories is assigned by using First in first out method.</p> <p><b>e) Revenue recognition</b> i) Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are exclusive of Goods and Services Tax and net of returns and trade allowances, if any. ii) Revenue is recognized based on the nature of the activity to the extent it is probable that the economic benefit will flow to the company and the revenue can be reliably measured with the reasonable certainty of its recovery. Export incentives, if any, from Government is accounted for on receipt basis.</p> <p><b>g) Property, Plant and Equipment(PPE)</b> <u>Recognition and Measurement</u></p>
	<p>PPE is recognised when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. PPE other than freehold land is stated at original cost including import duties, non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition for its intended use, net of tax/duty credits availed, if any, after deducting rebates and trade discounts, less accumulated depreciation and accumulated impairment losses, if any. If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE</p> <p><u>Depreciation &amp; Amortisation</u></p> <p>Depreciation on PPE for the year has been provided on all assets on Written down Value Method, pro rata to the period of use, as per the useful lives prescribed in schedule II to the Companies Act, 2013.</p> <p><u>First Time Adoption of Ind AS</u> The Company has opted to measure all its PPE at the Previous GAAP carrying amounts as deemed cost on the date of transition to Ind AS.</p> <p>The following are the useful lives of the various classes of the property, plant and equipment</p>

	<table><tr><th>Class description</th><th>Useful life</th></tr><tr><td>Plant and Equipment</td><td>15</td></tr><tr><td>Furnitures &amp; Fixtures</td><td>10</td></tr><tr><td>Vehicles</td><td>6</td></tr><tr><td>Plant and Machinery</td><td>15</td></tr><tr><td>Office Equipment</td><td>5</td></tr><tr><td>Computer and Peripherals</td><td>3</td></tr></table>	Class description	Useful life	Plant and Equipment	15	Furnitures & Fixtures	10	Vehicles	6	Plant and Machinery	15	Office Equipment	5	Computer and Peripherals	3	
Class description	Useful life															
Plant and Equipment	15															
Furnitures & Fixtures	10															
Vehicles	6															
Plant and Machinery	15															
Office Equipment	5															
Computer and Peripherals	3															
	<p><b>h) Share Capital</b> Ordinary shares are classified as equity. Costs directly attributable to issuance of new ordinary shares are charged to profit and loss account on the basis of predetermined period in equal proportions.</p> <p><b>i) Taxes on Income</b> Income tax expense/income comprises of current income tax expense/income and deferred tax expense/income. It is recognized in the statement of Profit and Loss except to the extent it relates to the items directly recognized in Other Comprehensive Income or in Equity.</p> <p>Current tax is the expected income tax payable/recoverable in respect of the taxable profit/(tax loss) for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.</p> <p>Deferred tax is recognized in respect of temporary differences between the carrying values of assets and liabilities for financial reporting purposes and the amount used for tax purposes.</p> <p><b>j) Provisions and Contingent Liabilities</b></p> <p>Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows specific to the liability, using a current pre-tax rate that reflects the current market assessment of the time value of money and risks specific to the obligation. The unwinding of the discount is recognised as finance cost.</p> <p>Contingent liabilities are disclosed in the notes to the financial statements when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.</p>															

Provisions and Contingent Liabilities are reviewed at each Balance Sheet date and adjusted to reflect the best estimates.

### **k) Segment Information**

i) The Company provides Financial and Management Consulting Services.

### **l) Related Party Disclosures**

a) Individuals having control and relatives

- Preeti Saraogi-	(Director) Key Managerial Person
- Hemant Dharnidharka-	(Director) Key Managerial Person
- Mayank Mundhra-	Company Secretary
- Pramod Dharnidharka-	Father of one of the Director
- Pramod Dharnidharka HUF-	HUF of Father of one of the Director
- Urmila Devi Dharnidharka-	Mother of one of the Director
- Khushboo Kanodia-	Sister of one of the Director
- Payal Mohta-	Sister of one of the Director

### **m) First Time Adoption of Ind AS**

The financial statements of the Company for the year ended March 31, 2022, are the first financials prepared in compliance with Ind AS recognition and measurement principles. The date of transition to Ind AS is April 1, 2021. The financial statements upto the year ended March 31, 2021, were prepared in accordance with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006, and other relevant provisions of the Act, considered as the "Previous GAAP" .

The financial statements for the year ended March 31, 2021 have been restated in accordance with the Ind AS recognition and measurement principles.

In Preparing these Ind AS financial statements, the company has availed certain exemptions and exceptions in accordance with Ind AS 101, as explained below:

#### Optional exemptions from retrospective application

i) Deemed cost for property, plant and equipment and intangible assets

The company has elected to measure all its property, plant and equipment and intangible assets at the previous GAAP carrying amounts as its deemed cost on the date of transition to Ind AS

#### Mandatory Exceptions from retrospective application

i) The Company has classified and measured the financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS

#### Transition to Ind AS - Reconciliations

The following reconciliations provide the explanations and quantification of the differences arising from the transition from previous GAAP to Ind AS in accordance with Ind AS 101:

Previous GAAP figures have been reclassified /regrouped wherever necessary to conform the financial statements prepared under the Ind AS.

<b>Reconciliation of Total Comprehensive Income</b>			
<i>For the Year ended March 31, 2022</i>			
	<b>Previous GAAP</b>	<b>Ind AS Adjustments</b>	<b>Ind AS</b>
Revenue From Operations	1,465.28	0.00	1,465.28
Other Income	4.12	0.00	4.12
<b>Total Income</b>	<b>1,469.40</b>	<b>0.00</b>	<b>1,469.40</b>
<b>EXPENSES</b>			
Cost of Materials Consumed	0.00	0.00	0.00
Employee Benefits Expense	0.37	0.00	0.37
Finance Costs	0.01	0.00	0.01
Depreciation and Amortization Expense	5.46	0.00	5.46
Other Expenses	1,334.69	0.00	1,334.69
<b>Total Expenses</b>	<b>1,340.53</b>		<b>1,340.53</b>
Profit/(Loss) Before Tax	128.87	0.00	128.87
<b>Tax Expense:</b>			
Current Tax	32.76	0.00	32.76
Deferred Tax	-0.47	0.00	-0.47
Tax of Earlier Years		0.00	
MAT Credit Entitlement	0.00	0.00	0.00
<b>Profit (Loss) for the Period</b>	<b>96.58</b>	<b>0.00</b>	<b>96.58</b>
<b>Other Comprehensive Income</b>			
Items that will not be reclassified to Profit/Loss			
-Additional Depreciation due to change in estimate	0.00	0.00	0.00
Income tax relating to above			
-Deferred Tax on above	0.00	0.00	0.00
Items that will be reclassified to Profit/Loss			
Income tax relating to above	0.00	0.00	0.00
<b>Total Comprehensive Income for the period</b>	<b>96.58</b>	<b>0.00</b>	<b>96.58</b>
<b>n) General</b>			
Accounting policies which are not specifically stated are consistent and in consonance with Indian Accounting Standards			



[illegible]

[illegible]

S. No.	Particulars	Gross Block				Depreciation				Net Block	
		Value at the beginning 01.04.2019	Addition during the year	Deduction during the year	Value at the end 31.03.2020	Value at the beginning 01.04.2019	Depreciation/ Ammortization	Disposals	Value at the end 31.03.2020	WDV as on 31.03.2020	WDV as on 31.03.2019
<b>I</b>	<b><u>Tangible Assets</u></b>										
1	Plant and Equipment	0.48	0.00	0.00	<b>0.48</b>	0.04	0.08	0.00	<b>0.12</b>	<b>0.36</b>	<b>0.44</b>
2	Furnitures & Fixtures	0.09	0.00	0.00	<b>0.09</b>	0.03	0.01	0.00	<b>0.04</b>	<b>0.05</b>	<b>0.06</b>
3	Vehicles	16.79	0.00	0.00	<b>16.79</b>	7.84	2.79	0.00	<b>10.63</b>	<b>6.16</b>	<b>8.95</b>
4	Plant and Machinery	0.21	0.34	0.00	<b>0.55</b>	0.01	0.07	0.00	<b>0.08</b>	<b>0.47</b>	<b>0.20</b>
5	Computer and Peripherals	0.84	0.50	0.65	<b>0.69</b>	0.64	0.33	0.63	<b>0.34</b>	<b>0.35</b>	<b>0.20</b>
6	Office Equipments	0.63	0.00	0.06	<b>0.57</b>	0.16	0.21	0.03	<b>0.34</b>	<b>0.23</b>	<b>0.47</b>
Total (Current Year)		19.04	0.84	0.71	<b>19.17</b>	8.72	3.49	0.66	<b>11.55</b>	<b>7.62</b>	<b>10.32</b>
Total (F.Y 2018- 19)		17.53	1.51	0.00	<b>19.04</b>	4.27	4.46	0.00	<b>8.73</b>	<b>10.31</b>	<b>13.26</b>
Capital Work-in- Progress											

Note No	Particulars	31.03.2022	31.03.2021	31.03.2020
<b>3</b>	<b>Financial Assets</b>			
	<b>(i) Investments</b>			
	(a) Investments in Equity Instruments	1.27	0.00	0.00
	- 225 shares Mac Charles (India) Ltd	1.81		
	- <i>Market Value</i>	2.50	0.00	0.00
	- Stellach Management Private Limited	2.50		
	- <i>Market Value</i>			
	(b) Investments in Trust Securities			
	- 9900 REIT of Emabssy Office Parks REIT Ltd	35.05	0.00	0.00
	- <i>Market Value</i>	36.80		
	(c) Investments in Debentures & Bonds			
	- CCD of Stellach Management Private Limited	22.50	0.00	0.00
	- <i>Market Value</i>	22.50		
	- 4000 Bonds of Piramal Capital Housing Finance Ltd @ 6.75%	32.92	0.00	0.00
	- <i>Market Value</i>	32.88		
	- 1 Market linked NCD of Piramal Enterprise Ltd @ 8%	10.00	0.00	0.00
	- <i>Market Value</i>	10.00		
	- 1 unlisted NCD of Svantra Microfin Pvt Ltd @ 11.77%	10.23	0.00	0.00
	- <i>Market Value</i>	10.23		
	(d) Investments in Mutual Fund			
	- 101.259 units of Adity Birla Sun Life Mutual Fund	0.73	0.00	0.00
	- <i>Market Value</i>	0.71	0.00	
		<b>115.20</b>	<b>0.00</b>	<b>0.00</b>
	*Investments are recorded at Cost			
<b>4</b>	<b>Deferred tax assets(net)</b>			
	<u>Reconciliation of Deferred Tax Assets/Liabilities (Net)</u>	1.38	1.25	0.95
	Opening balance of Deferred Tax Assets(net)			
	<i>Changes during the Year in Profit &amp; Loss</i>			
	a) Deferred Tax Assets:	0.47	0.13	0.30
	Tax on Difference between Book Balance and Tax Balance of Fixed Asset	0.00	0.00	0.00
		0.00	0.00	0.00

	On Account of Employee Benefits [Net] On other timing differences b) Deferred Tax Liabilities: Difference between Book Balance and Tax Balance of Fixed Asset <i>Changes during the Year in Other Comprehensive Income</i> a) Deferred Tax Assets: On Account of Fixed Assets Closing balance of deferred tax assets(net)	0.00     0.00 <b>1.85</b>	0.00     0.00 <b>1.38</b>	0.00     0.00 <b>1.25</b>
5	<b>Other Non-Current Asset</b> MAT Credit Entitlement	0.00 <b>0.00</b>	0.61 <b>0.61</b>	0.00 <b>0.00</b>

Note No	Particulars	31.03.2022	31.03.2021	31.03.2020			
6	<b>Trade Receivables (Current)</b>						
	i) Unsecured, Considered good	20.22	0.00	1.20			
	ii) Debts due by Private Companies in which Director is Interested	0.00	0.00	0.00			
		<b>20.22</b>	<b>0.00</b>	<b>1.20</b>			
	Less: Allowance for bad and doubtful debts	0.00	0.00	0.00			
		<b>20.22</b>	<b>0.00</b>	<b>1.20</b>			
	<b>Trade Receivables Ageing Schedule</b>						
		<b>31.03.2022</b>		<b>31.03.2021</b>		<b>31.03.2020</b>	
	<b>Trade Receivables</b>	<b>&lt; 6 months</b>	<b>&gt; 6 months</b>	<b>&lt; 6 months</b>	<b>&gt; 6 months</b>	<b>&lt; 6 months</b>	<b>&gt; 6 months</b>
	(i) Undisputed Trade Receivables — considered good	20.22	0.00	0.00	0.00	1.20	0.00
(ii) Undisputed Trade Receivables — which have significant increase in credit risk	0.00	0.00	0.00	0.00	0.00	0.00	

	(iii) Undisputed Trade Receivables — credit impaired	0.00	0.00	0.00	0.00	0.00	0.00
	(iv) Disputed Trade Receivables— considered good	0.00	0.00	0.00	0.00	0.00	0.00
	(v) Disputed Trade Receivables — which have significant increase in credit risk	0.00	0.00	0.00	0.00	0.00	0.00
	(vi) Disputed Trade Receivables — credit impaired	0.00	0.00	0.00	0.00	0.00	0.00
		<b>20.22</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>1.20</b>	<b>0.00</b>
<b>7</b>	<b>Cash and Cash Equivalents</b>						
	Cash in Hand			0.00	0.05	0.51	
	Balance with Banks- in Current Account			32.54	0.40	0.06	
	Balance with Banks- with less than 12 months maturity			51.09	0.00	0.00	
				<b>83.63</b>	<b>0.45</b>	<b>0.57</b>	
<b>8</b>	<b>Current Tax Assets(Net)</b>						
	TDS & Advance Tax			0.00	5.32	0.44	
	Less: Provision for Tax			0.00	-4.40	-0.16	
	IT Refund Receivable			1.53	0.28	0.00	
	TCS Receivable			0.00	0.00	0.00	
				<b>1.53</b>	<b>1.20</b>	<b>0.28</b>	
<b>9</b>	<b>Other Current Assets</b>						
	Advances receivable in cash or in kind			7.40	1.63	3.42	
	Balances with Government authorities			0.00	0.02	0.61	
	Preliminary expenses			0.00	0.00	0.00	
	Interest Receivable			0.03	0.00	0.00	
	Rent Deposit			4.21	4.21	4.21	
				<b>11.64</b>	<b>5.86</b>	<b>8.24</b>	

Note No	Particulars	31.03.2022	31.03.2021	31.03.2020		
10	<b>Equity Share Capital</b>					
	<b>i) Authorised share capital</b>					
	1,80,00,000 Equity shares of Rs. 1/- each	180.00	10.00	10.00		
		<b>180.00</b>	<b>10.00</b>	<b>10.00</b>		
	<b>ii) Issued, subscribed &amp; fully paid share capital</b>					
	1,50,00,000 Equity shares of Rs. 1/- each	150.00	1.00	1.00		
		<b>150.00</b>	<b>1.00</b>	<b>1.00</b>		
	The Company has one class of equity shares having a par value of Rs.1/-. They entitle the holder to participate in dividends, and to share in the proceeds of winding up the company in proportion to the number of and amounts paid on the shares held. The dividend, if any, is proposed by the Board is subject to approval by the Share Holders. The dividend is declared and paid in Indian Rupees. Every holder of equity shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.					
	<b>Details of shareholders holding more than 5% shares</b>					
	<b>Name of the Share Holder</b>	<b>31.03.2022 No. of shares    %age</b>	<b>31.03.2021 No. of shares    %age</b>	<b>31.03.2020 No. of shares    %age</b>		
Preeti Saraogi	10,00,000    6.67%	51,000    51.00%	51,000	51.00%		
Hemant Dharnidharka	1,39,50,000    93.00%	49,000    49.00%	49,000	49.00%		
11	<b>Reconciliation of no. of shares</b>	<b>31.03.2022</b>	<b>31.03.2021</b>		<b>31.03.2020</b>	
	<b>31.03.2020</b>					
	Shares outstanding as at the beginning of the year	1,00,000	1,00,000	1,00,000		
	Less : Brought back	0	0	0		
	Add : Issued during the year	1,49,00,000	0	0		
	Shares outstanding as at the end of the year	1,50,00,000	1,00,000	1,00,000		
11	<b>Other Equity</b>	<b>31.03.2022</b>	<b>31.03.2021</b>	<b>31.03.2020</b>		
	<b>a) Retained Earnings</b>					
	Opening balance .i.e. Statement of Profit & Loss	10.16	-5.10	-6.44		
	Profit/(Loss) for the period	96.58	15.26	1.34		
	Less: Utilized during the year for Bonus Issue	-30.00	0.00	0.00		
		76.74	10.16	-5.10		



	b) Security Premium Account				
	Opening balance	0.00	0.00	0.00	
	Add: Received during the year	0.00	0.00	0.00	
	Less: Utilized during the year	0.00	0.00	0.00	
		0.00	0.00	0.00	
		76.74	10.16	-5.10	
12	Borrowings (Non Current)				
	Unsecured Loans				
	a) Loans from related parties*				
	Intercompany Loans	0.00	0.00	0.00	
	From Other Related Parties	0.00	9.35	22.48	
		0.00	9.35	22.48	
	Less: Current Maturities	0.00	0.00	0.00	
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		0.00	9.35	22.48	

	<b>Disclosure required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006</b>			
	i) Information related to micro, small and medium enterprises	0.00	0.00	0.00
	a) Principal amount remaining unpaid to any supplier as at the end of the accounting year	0.00	0.00	0.00
	b) Interest due thereon remaining unpaid to the supplier as at the end of the year	0.00	0.00	0.00
	c) The amount of Interest paid along with the amount of principal payment made to the supplier beyond the appointed day during the year	0.00	0.00	0.00
	d) The amount of interest due or payable for the year.	0.00	0.00	0.00
	e) Interest accrued and remaining unpaid at the end of the year.	0.00	0.00	0.00
	f) Interest remaining due and payable even in succeeding years, until such date when the interest dues as above are actually paid	0.00	0.00	0.00
	ii) The identification of vendors as a 'Supplier' under Micro, Small and Medium Enterprises Development Act, 2006, has been done on the basis of the information to the extent provided by the vendors of the Company.	0.00	0.00	0.00
<b>14</b>	<b>Other Current Liabilities</b>			
	Advance received from customers	0.00	0.00	0.00
	Other statutory liabilities	17.32	3.74	0.38
	Outstanding expenses payable	0.00	0.00	0.00
		<b>17.32</b>	<b>3.74</b>	<b>0.38</b>
<b>15</b>	<b>Provisions (Current)</b>			
	Audit Fees Payable	0.50	0.09	0.10
		<b>0.50</b>	<b>0.09</b>	<b>0.10</b>

<b>16</b>	<b>Current Tax Liability (Net)</b>			
	TDS Payable	0.00	0.08	0.00
	Provision for Income tax	32.76	0.00	0.00
	Less: TDS & Advance Tax	-32.51	0.00	0.00
		<b>0.25</b>	<b>0.08</b>	<b>0.00</b>
<b>17</b>	<b>Revenue From Operations</b>			
	Commission Received	171.78	111.53	17.03
	Professional Services	0.00	3.88	2.75
	Technical Services	1,293.50	140.00	0.00
		<b>1,465.28</b>	<b>255.41</b>	<b>19.78</b>
<b>18</b>	<b>Other Income</b>			
	Interest on Income Tax Refund	0.02	0.00	0.09
	Interest received on FDs	0.78	0.00	0.00
	Interest from CCD	1.15	0.00	0.00
	Interest from REIT	0.12	0.00	0.00
	Dividend from REIT	0.33	0.00	0.00
	SPV proceeds from REIT	0.23	0.00	0.00
	Interest from NCD	1.49	0.00	0.00
		<b>4.12</b>	<b>0.00</b>	<b>0.09</b>
<b>19</b>	<b>Employee Benefit Expenses</b>			
	Salary	0.37	0.00	0.00
		<b>0.37</b>	<b>0.00</b>	<b>0.00</b>
<b>20</b>	<b>Finance Costs</b>			
	Bank Charges	0.01	0.01	0.02
	Interest Expenses	0.00	0.00	0.00
		<b>0.01</b>	<b>0.01</b>	<b>0.02</b>

<b>21</b>	<b>Other Expenses</b>			
	Audit fees	0.50	0.10	0.10
	Business Promotion Expenses	7.37	8.96	1.23
	Commission Paid	69.90	56.51	0.00
	Electricity	0.65	0.72	0.97
	Fees	4.91	0.24	0.00
	Insurance	0.30	0.51	0.56
	IT Services	1.08	1.31	1.12
	Office Expenses	0.45	0.98	0.73
	Postage, telephone and telegram	0.56	0.75	0.47
	Printing & stationery	0.08	0.43	0.58
	Professional/consultancy charges	1,226.78	148.52	0.30
	Professional Tax Paid	0.00	0.00	0.08
	Rates and taxes	0.00	0.00	0.06
	 Rent	 10.56	 3.16	 5.76
	Refreshment	1.36	0.96	0.00
	Repairs & Maintainance	1.40	3.33	0.67
	Tally Software Services	0.00	0.06	0.06
	Transaction Charges	0.02	0.00	0.00
	Travelling & conveyance	8.77	5.83	2.59
	Written off	0.00	1.14	0.04
		<b>1,334.69</b>	<b>233.51</b>	<b>15.32</b>
	<b>Total other expenses(a+b)</b>	<b>1,334.69</b>	<b>233.51</b>	<b>15.32</b>
<b>22</b>	<b>Earnings per share</b>			
	Basic earnings per share is computed by dividing Net Profit after tax (attributable to equity shareholders) by weighted average number of equity shares outstanding for the period.			
	Dilutive earnings per share is not calculated as the company has not issued any dilutive potential equity shares.			
	Particulars	31.03.2022	31.03.2021	31.03.2020
	Nominal value of shares of Rs.10/- each			
	Profit/(Loss) after tax	0.10	0.02	0.00
	Average no. of shares outstanding	2,642	100	100
	Basic earnings per share	3.66	15.26	1.34
	Diluted earnings per share	3.66	15.26	1.34

23	Contingent liabilities and commitments- Nil				
24	Payment to auditors				
	For audit	0.30	0.10	0.10	
	For tax audit	0.00	0.00	0.00	
	For other services	0.20	0.00	0.00	
		0.50	0.10	0.10	
25	Earnings per share				
	Basic earnings per share has been calculated by dividing the profit/(loss) attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the year. For the purpose of calculating diluted earning per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effect of all dilutive potential equity shares.				
26	Income & Expenditure in foreign currency				
	Inflow of foreign				
	Currency:				
	FOB Value of Exports during the year is Rs. 0/-				
	Outflow of foreign Currency:				
	CIF Value of Imports: Nil				
	Travelling Expenses:Nil				
	Overseas Commission etc.: Nil				
27	Details of related party transactions during the Financial year ended 31 Mar, 2022 and balances outstanding as at 31 Mar, 2022:				
	Amount in Rs.				
	Particulars	2021-22	2020-21	2019-20	
	Transactions during the year (Net)				
	Key Managerial Person	Transaction			
	Hemant Dharnidharka	Unsecured Loan Received	37.95	13.26	11.64
	Hemant Dharnidharka	Unsecured Loan Repaid	45.30	18.40	11.37
	Preeti Saraogi	Unsecured Loan Received	7.50	16.50	2.85
	Preeti Saraogi	Unsecured Loan Repaid	9.50	24.48	6.17
	Mayank Mundhra	Salary	0.37	0.00	0.00

	<b>Related Party</b>				
	Pramod Dharnidharka	Professional Fees	2.00	8.00	0.00
	Pramod Dharnidharka HUF	Commission	9.00	11.00	0.00
	Urmila Devi Dharnidharka	Professional Fees	0.00	9.00	0.00
	Khushboo Kanodia	Professional Fees	8.30	15.00	0.00
	Payal Mohta	Professional Fees	9.00	12.00	0.00
	<b><u>Balance outstanding at the end of the year</u></b>				
	<b>Key Managerial Person</b>	<b>Transaction</b>			
	Hemant Dharnidharka	Unsecured Loan	0	7.35	12.50
	Preeti Saraogi	Unsecured Loan	0	2.00	9.98
	Hemant Dharnidharka	Reimbursement	0.31	0	0
	Mayank Mundhra	Salary	0.12	0	0
<b>28</b>	Previous year's figures have been re-grouped/re-arranged whenever necessary to make them comparable with current year's figures.				
<b>29</b>	Amounts in paises have been rounded off to the nearest Rupee lakhs (presented along with two decimals.)				

### OTHER FINANCIAL INFORMATION

(₹ in Lakhs)

Particulars	As at March 31		
	2022	2021	2020
Net Worth (A)	226.74	11.16	-4.11
EBITDA	134.34	21.90	4.55
Restated PAT as per P& L Account (₹ in Lakhs)	96.58	15.26	1.34
Less: Prior period Item	--	--	--
Adjusted Profit after Tax (B)	96.58	15.26	1.34
No. of Equity Shares outstanding at the end of the period (C)	150.00	1.00	1.00
Weighted Average Number of Equity Shares at the time of end of the year (D) (Pre-Bonus/Split)	26,41,667	1,00,000	1,00,000
Weighted Average Number of Equity Shares at the time of end of the year (E) (Post Bonus/Split)	N.A.	N.A.	N.A.
Current Assets (F)	117.02	7.51	10.29
Current Liabilities (G)	18.50	4.84	0.78
Face Value per share (₹)	1	1	1
Restated Basic and Diluted Earnings Per Share (Pre-Bonus/Split) (B/D) (₹)	3.66	15.26	1.34
Restated Basic and Diluted Earnings Per Share (Post Bonus/ Split) (B/E) (₹)	N.A.	N.A.	N.A.
Return on Net Worth (%) (B/A)	42.60%	136.74%	-32.68%
Net asset value per share – Pre-Bonus/Split (A/D) (Face Value of ₹ 1 Each) (₹)	0.00	0.00	0.00
Net asset value per share - Post Bonus/ Split (A/E) (Face Value of ₹ 1 Each) (₹)	N.A.	N.A.	N.A.
Current Ratio (F/G)	6.33	1.55	13.19

Note:

1) The ratios have been computed as below:

- (a) Basic earnings per share (₹): Net profit after tax as restated for calculating basic EPS / Weighted average number of equity shares outstanding at the end of the period or year;
- (b) Diluted earnings per share (₹): Net profit after tax as restated for calculating diluted EPS / Weighted average number of equity shares outstanding at the end of the period or year for diluted EPS;
- (c) Return on net worth (%): Net profit after tax (as restated) / Net worth at the end of the period or year;
- (d) Net assets value per share -: Net Worth at the end of the period or year / Total number of equity shares outstanding at the end of the period or year



- 2) Net worth for ratios mentioned in note 1(c) and 1(d) is = Equity share capital + Reserves and surplus (including, Securities Premium, General Reserve and surplus in statement of profit and loss).
- 3) The figures disclosed above are based on the standalone restated summary statements of the Group.
- 4) The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures 4, 1, 2, 3.
- 5) The Company has Issued Bonus Shares as on March 31, 2022 in the Ratio of 97:3, accordingly the impact of the Bonus Issue has been considered.

### CAPITALISATION STATEMENT

Particulars	Pre-Issue	Post Issue*
	31.03.2022	
<b>Debt</b>		
Short Term Debt	-	
Long Term Debt	-	
<b>Total Debt</b>		
<b>Shareholders' Fund (Equity)</b>		
Share Capital	150.00	
Reserves & Surplus	76.74	
Less: Miscellaneous Expenses not w/off	-	
<b>Total Shareholders' Fund (Equity)</b>	226.74	
<b>Long Term Debt/Equity</b>	-	
<b>Total Debt/Equity</b>	-	

\* The above will updated while filing the Prospectus with RoC

Notes:

1. Short term Debts represents the debts which are expected to be paid/payable within 12 months and excludes instalment of term loans repayable within 12 months;
2. Long term Debts represent debts other than short term Debts as defined above but includes instalment of term loans repayable within 12 months grouped under other current liabilities;
3. The figures disclosed above are based on restated statement of Assets and Liabilities of the Company as at 31.03.2022

## **MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION**

*You should read the following discussion of our financial condition and results of operations together with our Financial Statements as Restated which is included in this Draft Prospectus. The following discussion and analysis of our financial condition and results of operations is based on our Financial Statements as Restated, as restated for the year ended March 31, 2022, and year ended March 2021, and March 2020 including the related notes and reports, included in this Draft Prospectus is prepared in accordance with requirements of the Companies Act, 2013 and restated in accordance with the SEBI (ICDR) Regulations, 2018, which differ in certain material respects from IFRS, U.S. GAAP and GAAP in other countries. Our Financial Statements, as restated have been derived from our audited statutory financial statements. Accordingly, the degree to which our Financial Statements as Restated will provide meaningful information to a prospective investor in countries other than India is entirely dependent on the reader's level of familiarity with Indian GAAP, Companies Act, SEBI Regulations and other relevant accounting practices in India. Our fiscal year ends on March 31 of each year, so all references to a particular fiscal year ("Fiscal Year") are to the twelve-month period ended March 31 of that year.*

*This discussion contains forward looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these Forward-Looking Statements as a result of certain factors such as those described under chapters titled "Risk Factors" and "Forward Looking Statements" beginning on pages 31 and 18 respectively of this Draft Prospectus.*

*In this section, unless the context otherwise requires, any reference to "we", "us" or "our" refers to Dharni Capital Services Limited, our Company. Unless otherwise indicated, financial information included herein are based on our "Restated Financial Statements" for year ended March 31, 2022 and for the Financial Years 2021 and 2020 beginning on page no.181 of this Draft Prospectus.*

### **BUSINESS OVERVIEW**

Our Company was incorporated as 'Dharni Online Services Private Limited' on November 12, 2015 as a private limited company under the Companies Act, 2013 with the Registrar of Companies, Bangalore, Karnataka. Further, the name of our Company was changed to "Dharni Capital Services Private Limited" vide Certificate of Incorporation pursuant to change of name dated 28.03.2022 issued by Registrar of Companies, Bangalore, Karnataka. Subsequently, pursuant to a special resolution passed by our shareholders in the extra-ordinary general meeting held on 26.04.2022, our Company was converted from A Private Limited Company to Public Limited Company and consequently, the name of our Company was changed to 'Dharni Capital Services Limited', and a fresh certificate of incorporation dated 17.05.2022 was issued to our Company by the Registrar of Companies, Bangalore, Karnataka. The corporate identification number of our Company is U74120KA2015PTC084050. Its authorized share capital is ₹ 2,10,00,000 and its paid-up capital is ₹1,50,00,000.



We offer diversified financial services for all the clients' needs as determined by personal consultations and constant monitoring of their financial goals. The modus operandi is to counsel individual clients, understand their profile, needs and concerns, build customized financial investment portfolios, offer a comprehensive selection of investment alternatives that will suit their financial goals.

Our Company holds an AMFI Registration (bearing registration no. ARN-144504). Our Company is an empaneled distributor with SBI Mutual Fund, HDFC Mutual Fund, ICICI Prudential Mutual Fund, Aditya Birla Sunlife Mutual Fund, Nippon Mutual Fund, Kotak Mutual Fund, UTI Mutual Fund, Axis Mutual Fund and many more.

Our Company is registered with Karnataka RERA Authority as an Agent (bearing registration number PRM/KA/RERA/1251/446/AG/210813/002502).

Our Company is registered as a real Estate broker with Prestige Estate Projects, Embassy Group amongst others.

Our Company is empaneled as a Fixed Deposit Broker with Shriram Transport Finance Limited, HDFC Limited, ICICI Home Finance Limited, PNB Housing Finance Limited, etc.

Our Company has its own app, "Dharni Wealth" and "Dharni Online" on the Google Play store and Apple App store. The clients of the company can view their updated portfolios across asset classes on the App.

Our Company is committed to provide a wide range of products and services in the field of Financial Services Segment with a commitment to:

- Highest standards of quality at reasonable cost;
- Meeting the general and sophisticated financial goals of our clients;
- Developing, encouraging and rewarding superior performance of our employees;
- Our Motto is to invest your money carefully and safely like our own investment.

Our Company is offering diversified financial and consultancy services in the areas of Wealth Planning, Retirement Planning, Tax Planning amongst other services.

Following are the brief of services being offered;

Services Offered	Details
Financial Planning	Curated separately for everyone.
Tax Planning	Recommending Tax efficient structures for Investments
Retirement Planning	Ensuring financial security post-retirement.
Real Estate	Recommending Real Estate investments, REITs
Mutual Funds	Open Ended, Close Ended, ETFs, etc.
Others	Company offers further curated products suitable to clients

## **SIGNIFICANT DEVELOPMENTS SUBSEQUENT TO THE LAST FINANCIAL PERIOD**

**After the date of last financial year i.e., March 31, 2022, the following material events have occurred after the last audited period.**

1. The Board of Directors of the Company approved the Initial Public Offering of our Company in their meeting held on August 08, 2022.
2. The Shareholders of the Company approved the Initial Public Offering of our Company in their meeting held on August 10, 2022.
3. The Board of Directors of the Company approved the appointment of Mr. Jaideep Mittra & Mr. Vinay Agarwal as the Independent Directors of the Company in their meeting held on August 08, 2022.
4. The Shareholders of the Company approved the appointment of Mr. Jaideep Mittra & Mr. Vinay Agarwal as the Independent Directors of the Company in their meeting held on August 10, 2022.

## **SIGNIFICANT 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 31 of this Draft Prospectus. Our results of operations and financial conditions are affected by numerous factors including the following:

- Our ability to successfully implement our growth strategy and expansion plans;
- General economic and market conditions in India and globally;
- Uncertainty in relation to continuing effect of the COVID-19 pandemic on our business and operations;
- Changes in laws, rules & regulations and legal uncertainties;
- Economic and Demographic condition;
- The occurrence of natural disasters or calamities;
- Other factors beyond our control and
- Our ability to manage risks that arise from these factors

## **SIGNIFICANT ACCOUNTING POLICIES**

For more details kindly refer to section titled – “Restated Financial Statements - Annexure V” beginning on page 197 of this Draft Prospectus.

## **DISCUSSION ON RESULTS OF OPERATIONS**

The following table sets forth financial data from our restated financial statements of profit & loss for the year ended March 31, 2022 and for the financial years ended March 31, 2021 and 2020 the components of which are also expressed as a percentage of total revenue for such periods:

Particulars	Year Ended March 31, 2022		Year Ended March 31, 2021		Year Ended March 31, 2020	
	₹ in Lakhs	%	₹ in Lakhs	%	₹ in Lakhs	%
<b>Revenue</b>						
Revenue from Operations	1465.28	99.72	255.41	100.00	19.78	99.55
Other Income	4.12	0.28	-		0.09	0.45
<b>Total Income</b>	<b>1469.4</b>	<b>100.00</b>	<b>255.41</b>	<b>100.00</b>	<b>19.87</b>	<b>100.00</b>
<b>Expenses</b>						
Cost of materials consumed	-		-		-	
Employee benefits expense	0.37	0.03	-		-	
Finance costs	0.01	0.00	-		0.02	0.10
Depreciation & amortization expenses	5.46	0.37	2.36	0.92	3.49	17.56
Other expenses	1334.69	90.83	233.51	91.43	15.32	77.10
<b>Total Expenses</b>	<b>1340.53</b>	<b>91.23</b>	<b>235.88</b>	<b>92.35</b>	<b>18.83</b>	<b>94.77</b>
<b>Profit Before Tax</b>	<b>128.87</b>	<b>8.77</b>	<b>19.53</b>	<b>7.65</b>	<b>1.04</b>	<b>5.23</b>
<b>Tax Expense</b>						
Current Tax	32.76	2.23	4.4	1.72	0.16	0.81
Deferred Tax	-0.47	-0.03	-0.13	-0.05	-0.3	-1.51
MAT Credit Entitlement		0.00			-0.16	-0.81
Total Tax Expense	32.29	2.20	4.27	1.67	-0.03	-1.51
<b>Profit for the Year</b>	<b>96.58</b>	<b>6.57</b>	<b>15.27</b>	<b>5.98</b>	<b>1.34</b>	<b>6.74</b>

\*(%) column represents percentage of total revenue

## KEY COMPONENTS OF OUR STATEMENT OF PROFIT AND LOSS BASED ON OUR RESTATED FINANCIAL STATEMENTS

### INCOME

Our total income comprises of revenue from operations and other income.

## **REVENUE FROM OPERATIONS**

Our revenue from operations represents income from professional services. The company is primarily engaged in providing wealth advisory services to its clients for achieving their financial goals. We offer wide array of products and services, including integrated Financial Planning, Wealth management, Tax Advisory Services and Mutual Funds. We also provide outsourcing services.

## **OTHER INCOME**

Our other income comprises of interest income.

## **EXPENDITURE**

Our total expenditure primarily consists of Employee Benefit Expenses, Finance Cost, Depreciation & Amortization Expenses, consultancy fees, commission and Other Expenses.

## **EMPLOYEE BENEFIT EXPENSES**

Expenses in relation to employee 's remuneration and benefits include salaries & wages, staff welfare expenses

## **FINANCE COSTS**

Finance cost primarily consists of bank interest expenses, interest on Capital and Interest on Unsecured Loans.

## **DEPRECIATION AND AMORTIZATION EXPENSES**

Depreciation and Amortization Expenses consist of depreciation on the Tangible assets of our Company i.e., depreciation on Fixed Asset

## **OTHER EXPENSES**

Other expenses majorly consist of professional fees paid, commission paid, travelling expense, electricity expense, rent expenses, business development expenses, repair & maintenance charges, IT services and miscellaneous expenses etc.

## **PROVISION FOR TAX**

The provision for current taxation is computed in accordance with relevant tax regulation. Deferred tax is recognized on timing differences between the accounting and the taxable income for the year and quantified using the tax rates and laws enacted or subsequently enacted as on balance sheet date. Deferred tax assets are recognized and carried forward to the extent that there is a virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized in future.



## **COMPARISON OF FINANCIAL YEAR ENDED MARCH 31, 2022 TO FINANCIAL YEAR ENDED MARCH 31, 2021**

### **INCOME:**

#### **TOTAL REVENUE**

Our total revenue increased by 475.31% to ₹ 1469.40 Lakhs for the financial year ended March 31, 2022 from ₹ 255.41 Lakhs for the financial year 2021, which is on account of revenue from operations and other income as described below:

#### **REVENUE FROM OPERATIONS**

In fiscal 2022, our Revenue from Operations increased, from ₹255.41 Lakhs in fiscal 2021 to ₹ 1465.28 Lakhs in fiscal 2022 due to increase in our customer base

#### **OTHER INCOME**

Our other income for the period ended March 31, 2022 was ₹4.12 Lakhs which is about 0.28% of the total revenue

### **EXPENDITURE:**

#### **DEPRECIATION AND AMORTIZATION EXPENSES**

Depreciation expenses increased by 131.36%, from ₹ 2.36 Lakhs in fiscal 2021 to ₹ 5.46 Lakhs in fiscal 2021. This increase is on account of addition in tangible asset.

#### **OTHER EXPENSES**

Other expenses increased by 471.58%, from ₹ 233.51 Lakhs in fiscal 2021 to ₹ 1334.69 Lakhs in Fiscal 2022. The increase was majorly due to increase in expenses on account of professional fees, commission payments, rent and other miscellaneous expenses.

### **PROFIT/ (LOSS) BEFORE TAX**

The increase in revenue has led to increase in our Profit/ (Loss) before tax by 559.86% from ₹19.53 lakhs in fiscal 2021 to ₹ 128.87 Lakhs in fiscal 2022.

#### **FY 2021-22:**

The Company got a large outsourcing contract, and earned revenues of ₹1293 Lakhs from it. FD business earned a revenue of ₹ 45 Lakhs while the MF business earned 42 Lakhs. The real estate business also began earning significant revenues as the Company's clients looked to expand their office and the Company earned a brokerage of ₹84.63 Lakhs. On the cost side, the Company hired qualified people to fulfil the outsourcing contract requirements.

Professional fees paid jumped to ₹1226 Lakhs, while commission paid increased to ₹69.90 Lakhs. The PAT of the company stood at ₹ 96.58 Lakhs for the year.

#### **TAX EXPENSE**

Total tax expenses increased by 656.21% from ₹ 4.27 Lakhs in Fiscal 2021 to ₹ 32.29 Lakhs in Fiscal 2022 on account of increase in profits

#### **PROFIT AFTER TAX**

After accounting for taxes at applicable rates, our Profit after Tax increased by 532.48%, from ₹15.27 Lakhs in fiscal 2021 to ₹ 96.58 Lakhs in fiscal 2022 on account increase in revenues.

#### **COMPARISON OF FINANCIAL YEAR ENDED MARCH 31, 2021 TO FINANCIAL YEAR ENDED MARCH 31, 2020**

#### **INCOME:**

##### **TOTAL REVENUE**

Our total revenue increased by 1185.41% to ₹ 255.41 Lakhs for the financial year ended March 31, 2021 from ₹ 19.87 Lakhs for the financial year 2020

##### **REVENUE FROM OPERATIONS**

In fiscal 2021, our Revenue from Operations increased, from ₹19.78 Lakhs in fiscal 2020 to ₹ 255.41 Lakhs in fiscal 2021 due to increase in our customer base

#### **EXPENDITURE**

##### **DEPRECIATION EXPENSES**

Depreciation expenses decreased by 32.38%, from ₹ 3.49 Lakhs in fiscal 2020 to ₹ 2.36 Lakhs in fiscal 2021. This decrease is on account of decrease in tangible asset.

##### **OTHER EXPENSES**

Other expenses increased by 1424.22%, from ₹ 15.32 Lakhs in fiscal 2020 to ₹ 233.51 Lakhs in Fiscal 2021. The increase was majorly due to increase in expenses on account of professional fees, commission payments, rent and other miscellaneous expenses.

## PROFIT/ (LOSS) BEFORE TAX

The increase in revenue has led to increase in our Profit/ (Loss) before tax by 1777.88% from ₹1.04 lakhs in fiscal 2020 to ₹ 19.53 Lakhs in fiscal 2021.

FY 2020-21:

The Company got an outsourcing contract for technical services, which gave the Company an additional revenue of 140 Lakhs. The Company's Fixed deposit and Mutual fund business also did well due to the pandemic, where people were looking to invest more money into FDs and other assets. The FD business earned a revenue of ₹74.66 Lakhs and MF business earned ₹35.97 Lakhs. Due to these developments, the revenue increased to ₹255 Lakhs. The costs of the Company also went up proportionately, and the Company's expenses in professional fees paid and commission paid increased to ₹149 Lakhs and ₹57 Lakhs respectively. The PAT of the Company increased to ₹15.27 Lakhs.

## TAX EXPENSE

Total tax expenses increased from ₹ -0.3 Lakhs in Fiscal 2020 to ₹ 4.27 Lakhs in Fiscal 2021 on account of increase in profits

## PROFIT/ (LOSS) AFTER TAX

After accounting for taxes at applicable rates, our Profit after Tax increased by 1039.55%, from ₹1.34 Lakhs in fiscal 2020 to ₹ 15.27 Lakhs in fiscal 2021 on account increase in revenues

## CASH FLOWS

The table below is our cash flows for the period ended on March 31, 2022, March 31, 2021 and 2020:

Particulars	For the financial year ended on		
	2022	2021	2020
Net cash (used)/from operating activities	84.80	25.36	1.74
Net cash (used)/from investing activities	-111.27	-12.36	-0.84
Net cash (used)/from financing activities	109.65	-13.13	-3.04
Cash and Cash equivalents at the beginning of the year	0.45	0.57	2.70
Cash and Cash equivalents at the end of the year	83.63	0.45	0.57

(in Lakhs)

## **CASH FLOWS FROM OPERATING ACTIVITIES**

*For the period ended on March 31, 2022*

Net cash from operating activities in the period ended March, 2022 was ₹ 84.80 lakhs as compared to the PBT of ₹ 128.87 lakhs for the same period. The decrease was mainly due to current tax assets and receivables.

*For the year ended on March 31, 2021*

Net cash from operating activities in fiscal 2021 was ₹ 25.36 lakhs as compared to the PBT of ₹ 19.53 lakhs for the same period. This difference is primarily on account of addition of other current liabilities

*For the year ended on March 31, 2020*

Net cash from operating activities in fiscal 2020 was ₹ 1.74 lakhs as compared to the PBT of ₹ 1.04 lakhs for the same period. This difference is primarily on account of increase in payables

## **CASH FLOWS FROM INVESTING ACTIVITIES**

*For the period ended on March 31, 2022*

In period ended March, 2022, the net cash invested in Investing Activities was negative ₹ 111.27 lakhs. This was majorly on account of purchase of investments.

*For the year ended on March 31, 2021*

In fiscal 2021, the net cash invested in Investing Activity was ₹ 12.36 lakhs. This was majorly on account of purchase of fixed assets.

*For the year ended on March 31, 2020*

In fiscal 2020, the net cash invested in Investing Activities was ₹ 0.84 lakhs. This was majorly on account of purchase of fixed assets.

## **CASH FLOWS FROM FINANCING ACTIVITIES**

*For the period ended on March 31, 2022*

Net cash from financing activities for the period ended March, 2022 was ₹ 109.65 lakhs. This was majorly on account proceeds from issue of share capital.

*For the year ended March 31, 2021*

Net cash utilized in financing activities in fiscal 2021 which was ₹ 13.13 lakhs. This was majorly on account of utilization of cash for repayment of loans.

*For the year ended March 31, 2020*

Net cash utilized in financing activities in fiscal 2020 which was ₹ 3.04 lakhs. This was majorly on account of utilization of cash for repayment of loans.

**Information required as per Item 11 (II) (C) (iv) of Part A of Schedule VI to the SEBI Regulations:**

**a) Unusual or infrequent events or transactions**

Except as described in this Draft Prospectus, during the periods under review there have been no transactions or events, which in our best judgment, would be considered unusual or infrequent.

**b) Significant economic changes that materially affected or are likely to affect income from continuing Operations**

Other than as described in the Section titled “*Financial Information*” and chapter titled “*Management’s Discussion and Analysis of Financial Conditions and Results of Operations*”, beginning on pages no. 181 and 218 respectively of this Draft Prospectus respectively, to our knowledge there are no significant economic changes that materially affected or are likely to affect income from continuing Operations.

**c) Known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations**

Other than as described in the chapter titled “*Risk Factors*” and “*Management’s Discussion and Analysis of Financial Conditions and Result of Operations*”, beginning on page no 31 and 218 respectively of this Draft Prospectus respectively, best to our knowledge there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our company from continuing operations.

**d) Future relationship between Costs and Income**

Other than as described in the chapter titled “*Risk Factors*” beginning on page no 31 of this Draft Prospectus, best to our knowledge there are no factors, which will affect the future relationship between costs and income or which are expected to have a material adverse impact on our operations and finances.

**e) The extent to which material increases in revenue or income from operations are due to increased volume, introduction of new products or services or increased prices**

Increases in revenues are by and large linked to increases in volume of business activity carried out by the Company and introduction of new services in the market.

**f) New Business Segment**

Except as disclosed in this Draft Prospectus, we have not publicly announced any new business segments.

**g) The extent to which the business is seasonal.**

Our business is not seasonal in nature.

**h) Any significant dependence on a single or few suppliers or customers**

The business of the company is not dependent on any single customer or supplier and thereby we have assessed no significant dependence on any stake holder. For further details, please refer chapter —*Risk Factors* beginning on page no. 31 of this Draft Prospectus.

**i) Competition Conditions**

Competitive conditions are as described under the Sections titled “Industry Overview” and “Business Overview” beginning on pages 116 and 218, respectively of this Draft Prospectus.

## SECTION VIII – LEGAL AND OTHER INFORMATION OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

*Except as stated below there are no outstanding (i) criminal proceedings involving our Company, Directors, or Promoters (“**Relevant Parties**”); (ii) actions by statutory or regulatory authorities involving the Relevant Parties; (iii) outstanding claims relating to direct and indirect taxes involving the Relevant Parties; and (iv) other pending litigation as determined to be material by our Board pursuant to the Materiality Policy (as disclosed herein below); or (v) litigation involving our Group Company which has a material impact on our Company. Further, except as stated in this section, there are no disciplinary actions including penalties imposed by SEBI or stock exchanges against our Promoter in the last five Financial Years including any outstanding action.*

*For the purposes of (iv) above in terms of Materiality Policy adopted by a resolution of our Board dated August 10, 2022, pending litigation would be considered ‘material’ if the monetary amount of claim by or against the entity or person in any such pending proceeding is in excess of Rs. 1,00,000/- (Rupees One Lakh Only) and where the amount is not quantifiable, such pending cases are material from the perspective of the company’s business, operations, prospects or reputation.*

*For the purposes of the above, pre-litigation notices received by the Relevant Parties or the Group Company from third parties (excluding those notices issued by statutory or regulatory or taxation authorities or notices threatening criminal action) have not and shall not, unless otherwise decided by our Board, be considered material until such time that any of the Relevant Parties or the Group Company, as the case may be, is impleaded as a defendant in litigation before any judicial or arbitral forum.*

*Further, in accordance with the Materiality Policy, our Company has considered such creditors ‘material’ to whom the amount due is equal to or in excess of Rs.1,00,000/- (Rupees One Lakh Only).*

*Unless stated to the contrary, the information provided below is as of the date of this Draft Prospectus. All terms defined in a particular litigation disclosure below are for that particular litigation only.*

### LITIGATION INVOLVING OUR COMPANY

#### *Litigation against our company*

##### **A. Outstanding criminal proceedings**

NIL

##### **B. Actions initiated by regulatory or statutory authorities**

NIL



**C. *Outstanding material civil litigation***

NIL

***Litigation by our Company***

**A. *Outstanding criminal proceedings***

NIL

**B. *Outstanding material civil litigation***

NIL

**LITIGATION INVOLVING OUR SUBSIDIARY**

***Litigation against our Subsidiary***

**A. *Outstanding criminal proceedings***

NIL

**B. *Actions initiated by regulatory or statutory authorities***

NIL

**C. *Outstanding material civil litigation***

NIL

***Litigation by our Subsidiary***

**A. *Outstanding criminal proceedings***

NIL

**B. *Outstanding material civil litigation***

NIL

**LITIGATION INVOLVING OUR DIRECTORS**

***Litigation against our Directors***

**D. *Outstanding criminal proceedings***

NIL

**E. *Actions initiated by regulatory or statutory authorities***

NIL

**F. *Outstanding material civil litigation***

NIL

***Litigation by our Directors***

**C. *Outstanding criminal proceedings***

NIL

**D. *Outstanding material civil litigation***

NIL

**LITIGATION INVOLVING OUR PROMOTERS**

***Litigation against our Promoters***

**A. *Outstanding criminal proceedings***

NIL

**B. *Actions initiated by regulatory or statutory authorities***

NIL

**C. *Outstanding material civil litigation***

NIL

***Litigation by our Promoters***

**A. *Outstanding criminal proceedings***

NIL

**B. *Outstanding material civil litigation***

NIL

## **OUTSTANDING LITIGATION INVOLVING OUR GROUP COMPANIES WHICH HAS A MATERIAL IMPACT ON OUR COMPANY**

### *Litigation against our Group Companies*

#### **A. Outstanding criminal proceedings**

NIL

#### **B. Actions initiated by regulatory or statutory authorities**

NIL

#### **C. Outstanding material civil litigation**

NIL

### *Litigation by our Group Companies*

#### **A. Outstanding criminal proceedings**

NIL

#### **B. Outstanding material civil litigation**

NIL

## **TAX PROCEEDINGS**

### *Our Company*

#### **A. Outstanding Direct Tax Proceedings**

S. No.	AY	Forum	Citation/Reference	Issue/s	Addition in Income	Demand Involved
1.	2022-23	TDS defaults	TRACES Portal	TDS defaults in assessment year 2022-23.	-	Rs. 1,570/-

#### **B. Outstanding Indirect Tax Proceedings**

NIL

*Our Subsidiary*

**A. Outstanding Direct Tax Proceedings**

NIL

**B. Outstanding Indirect Tax Proceedings**

NIL

*Our Group Companies*

**C. Outstanding Direct Tax Proceedings**

NIL

**D. Outstanding Indirect Tax Proceedings**

NIL

*Our Promoter*

**A. Outstanding Direct Tax Proceedings**

NIL

**B. Outstanding Indirect Tax Proceedings**

NIL

*Our Directors*

**A. Outstanding Direct Tax Proceedings**

S.No.	AY	Forum	Citation/Reference	Issue	Proposed Addition in Income (Rs.)	Demand Involved (Rs.)
<b><u>Mr. Vinay Agarwal</u></b>						
1.	<b>2005-06</b>	Assessing Officer	Demand Reference No. 201020055108 1221763T	Section 143(1)	-	Rs. 285/-
2.	<b>2009-10</b>	Assessing Officer	Demand Reference No. 201020091004 2577204T	Section 143(1)(a)	-	Interest of Rs. 765/-

3.	<b>2010-11</b>	Assessing Officer	Demand Reference No. 201120101005 3757922T	Section 143(1)(a)	-	Interest of Rs. 777/-
4.	<b>2011-12</b>	Assessing Officer	Demand Reference No. 201220111001 7309525T	Section 143(1)(a)	-	Interest of Rs. 38/-
5.	<b>2012-13</b>	Assessing Officer	Demand Reference No. 201320121001 3618892T	Section 143(1)(a)	-	Rs. 60/-
6.	<b>2013-14</b>	Assessing Officer	Demand Reference No. 201420131000 4194275T	Section 143(1)(a)	-	Rs. 580/-
7.	<b>2014-15</b>	Assessing Officer	Demand Reference No. 201520141000 2192602T	Section 143(1)(a)	-	Rs. 3,090/-
8.	<b>2015-16</b>	Assessing Officer	Demand Reference No. 201620153700 0834362T		-	Interest of Rs. 468/-
9.	<b>2017-18</b>	Assessing Officer	Demand Reference No. 201720173707 3389594T	Section 143(1)(a)	-	Interest of Rs. 132/-
10.	<b>2020-21</b>	Assessing Officer	Demand Reference No. 202020203703 6923335T	Interest under Section 234C due to deferment of advance tax.	-	Demand of Rs. 3,260/- and Interest of Rs. 480/-
11.	-	TDS defaults	TRACES Portal	TDS defaults in various assessment year.	-	Rs. 8,860/-

**B. Outstanding Indirect Tax Proceedings**

S. No.	Period	Forum	Citation/Reference	Issue/s	Addition in Income	Demand Involved
<b><u>Mr. Vinay Agarwal</u></b>						
1.	<b>April 2018</b>	Deputy Commissioner	ZD191221013498H	Order under Section 73 of the CGST Act demanding interest because ITC has been claimed on inward supplies received from non-existent and non-functioning supplier.	-	Rs. 57,628/-

**OUTSTANDING DUES TO CREDITORS**

In accordance with our Company's materiality policy, creditors to whom an amount exceeding Rs. 1,00,000/- (Rupees One Lakh Only) were considered 'material' creditors. Based on this criterion, details of outstanding dues (trade payables) owed to micro, small and medium enterprises (as defined under Section 2 of the Micro, Small and Medium Enterprises Development Act, 2006), material creditors and other creditors, as at March 31, 2022 by our Company, are set out below:

(in Lakhs)

S. No	Particular	Number of Creditors	Balance as on 31.03.2022
1.	Total Outstanding dues to Micro, Small & Medium Enterprises	-	-
2.	Total Outstanding dues to creditors other than Micro, Small & Medium Enterprises	2	0.43
<b>Total</b>		<b>NIL</b>	<b>NIL</b>

**MATERIAL DEVELOPMENTS**

Except as stated in "Management's Discussion and Analysis of Financial Condition and Results of Operations" on page no. 218 of the Draft Prospectus, there have not arisen, since the date of the last financial statements disclosed in this Draft Prospectus, any circumstances which materially and adversely affect or are likely to affect our profitability taken as a whole or the value of our assets or our ability to pay our liabilities within the next 12 (Twelve) months.

## GOVERNMENT AND OTHER STATUTORY APPROVALS

*We have received the necessary consents, licenses, permissions and approvals from the Government of India and various governmental agencies required for our present business (as applicable on date of this Draft Prospectus) and except as mentioned below, no further major approvals are required for carrying on our present business.*

*In view of the approvals listed below, we can undertake this Issue and our current/proposed business activities and no further major approvals from any governmental or regulatory authority, or any other entity are required to be undertaken in respect of the Issue or to continue our business activities. It must be distinctly understood that, in granting these approvals, the Government of India 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. Unless otherwise stated, these approvals are all valid as of the date of this Draft Prospectus. The Company does not have any material subsidiaries as on the date of this Draft Prospectus.*

*The main objects clause of the Memorandum of Association and objects incidental to the main objects enable our Company to carry out its activities. The following are the details of licenses, registrations, consents, permissions, and approvals obtained by the Company under various Central and State Laws from the Government and various other Government agencies required for carrying out its present business:*

### **I. APPROVALS FOR THE ISSUE**

The following approvals have been obtained or will be obtained in connection with the Initial Public Offer:

- (a). The Board of Directors has, pursuant to resolution passed at its meeting held on August 08, 2022, authorized the Issue, subject to the approval by the Equity Shareholders of our Company under Section 23 and all other applicable provisions, if any, of the Companies Act. Subsequently, the Board of Directors approved this Draft Prospectus at their meeting held on September 26, 2022.
- (b). The Equity Shareholders of our Company have authorized the Issue, pursuant to a special resolution passed at the extra ordinary general meeting of our Company held on August 10, 2022, under Section 23 and all other applicable provisions, if any, of the Companies Act.
- (c). Our Company has obtained approval from SME Platform of BSE by way of a letter dated [●] to use the name of BSE in this Draft Prospectus for listing of Equity Shares on the SME Exchange of BSE.
- (d). NSDL/CDSL: ISIN No.: INE09Q01011

Our Company has entered into an agreement dated June 16, 2022 with the Central Depository Services (India) Limited (**CDSL**) and the Registrar and Transfer Agent which in this case is Cameo Corporate Services Limited., for the dematerialization of its shares.



Further, our Company has entered into an agreement dated July 12, 2022 with the National Securities Depository Limited (“NSDL”) and the Registrar and Transfer Agent which in this case is Cameo Corporate Services Limited, for the dematerialization of its shares.

## II. APPROVALS/LICENSES/PERMISSIONS PROCURED TO CONDUCT OUR BUSINESS

### A. Incorporation Related Approvals

Sr. No	Nature of Registration /License	Registration/License No.	Applicable Laws	Issuing Authority	Date of Issue	Date of Expiry
1.	Certificate of Incorporation as ‘Dharni Online Services Private Limited’	U74120KA2015 PTC084050	Issued under Companies Act, 2013	Registrar of Companies, Bangalore	November 12 <sup>th</sup> , 2015	March 28, 2022
2.	Certificate of Incorporation as ‘Dharni Capital Services Private Limited’	U74120KA2015 PTC084050	Issued under Companies Act, 2013	Registrar of Companies, Bangalore	March 28, 2022	May 17, 2022
3.	Certificate of incorporation as ‘Dharni Capital Services Limited’	U74120KA2015 PLC084050	Issued under Companies Act, 2013	Registrar of Companies, Bangalore	May 17, 2022	Valid till cancelled

### B. Taxation Related Approvals

Sr. No	Nature of Registration/ License	Registration/ License No.	Applicable Laws	Issuing Authority	Date of Expiry
1.	Permanent Account Number (PAN)	AAFCD5116N	Income Tax Act, 1961	Income Tax Department	Valid till cancelled
2.	Tax Deduction Account Number (TAN)	BLRD10744G	Income Tax Act, 1961	Income Tax Department	Valid till cancelled

3.	Certificate of Registration under Goods & Service Tax (GST) <sup>1</sup>	29AAFCD5116 N1ZC	Central Goods and Services Tax Act, 2017 and Karnataka Goods and Services Tax Act, 2017	Government of India	Valid till cancelled
4.	Certificate of Registration under Karnataka Tax on Professions, Trades, Callings and Employments Act, 1976	389726142	Karnataka Tax on Professions, Trades, Callings and Employments Act, 1976	Profession Tax Officer, Karnataka	Valid till cancelled
5.	Certificate of Enrolment under Karnataka Tax on Professions, Trades, Callings and Employments Act, 1976	128726432	The Karnataka Tax on Professions, Trades, Callings and Employments Act, 1976	Profession Tax Officer, Karnataka	Valid till cancelled
6.	Certificate of Registration of Service Tax	AAFCD5116NS D001	Finance Act, 1994 and Service Tax Rules, 1994	Central Board of Excise and Customs, Department of Revenue	Valid till cancelled

### C. Labour Law Related & Other Approvals

Sr. no,	Nature of Registration/ License	Registration/Licence No.	Applicable Laws	Issuing Authority	Date of Expiry
<b>Other Approvals</b>					
1.	Certificate of AMFI Registration	ARN-144504	—	Association of Mutual Funds in India	April 22, 2024
2.	Registration Certificate as Real Estate Agent	PRM/KA/RERA/1251/446/AG/210813/002502	Real Estate (Regulation and Development)	Real Estate Regulatory Authority	August 13, 2026

<sup>1</sup> The Company has applied for the change in name of the Company from 'Dharni Online Services Private Limited' to 'Dharni Capital Services Limited'.

			Act, 2016 and Karnataka Real Estate (Regulation and Development) Rules, 2017	Karnataka	
3.	Registration Certificate of Shop & Establishment	15/55/S/0052/2016	Commercial Establishment under the Karnataka Shops and Commercial Establishments Act. 1961	Government of Karnataka: Department of Labour	December 31, 2025

#### D. Intellectual Property Rights

The Company has following domains registered in its own name:

S.No	Domain name and ID	Sponsoring Registrar	Creation date	Expiry Date
1.	<a href="http://www.dharniproperties.com">www.dharniproperties.com</a> 1894531887_DOMAIN_COM-VRSN	Domainshype.com, LLC IANA ID: 1660	January 07, 2015	January 07, 2023
2.	<a href="http://www.dharnigroup.com">www.dharnigroup.com</a> 1880975500_DOMAIN_COM-VRSN	Domainshype.com, LLC IANA ID: 1660	October 18, 2014	October 18, 2023
3.	<a href="http://www.dharnionline.in">www.dharnionline.in</a> D10244486-IN	Endurance Digital Domain Technology LLP IANA ID: 801217	December 30, 2015	December 30, 2023
4.	<a href="http://www.dharnionline.com">www.dharnionline.com</a> 1990569714_DOMAIN_COM-VRSN	BigRock Solutions Ltd. IANA ID: 1495	December 30, 2015	December 30, 2023
5.	<a href="http://www.dharniwealth.in">www.dharniwealth.in</a> D414400000007394192-IN	Endurance Digital Domain Technology LLP IANA ID: 801217	January 28, 2019	January 28, 2027
6.	<a href="http://www.dharniwealth.com">www.dharniwealth.com</a> 2356125291_DOMAIN_COM-VRSN	BigRock Solutions Ltd. IANA ID: 1495	January 28, 2019	January 28, 2027
7.	<a href="http://www.dharnicapital.in">www.dharnicapital.in</a> <a href="http://D414400000003380102-IN">D414400000003380102-IN</a>	Endurance Digital Domain Technology LLP IANA ID: 801217	February 13, 2017	February 13, 2027
8.	<a href="http://www.dharnicapital.com">www.dharnicapital.com</a> <a href="http://2097368026_DOMAIN_COM-VRSN">2097368026_DOMAIN_COM-VRSN</a>	BigRock Solutions Ltd IANA ID: 1495	February 13, 2017	February 13, 2027

**E. Empanelment**

<b>Sr No.</b>	<b>Nature of Empanelment</b>	<b>Entity with whom empaneled</b>	<b>Year of Engagement</b>
1.	Empanelment as mutual fund distributor	Franklin Templeton Asset Management (India) Pvt. Ltd	2018
2.	Empanelment as mutual fund distributor	HDFC Mutual Funds, HDFC Asset Management Company Limited	2018
3.	Empanelment as Business Associate having agency code: MARAT00001	Shriram Transport Finance Company Limited	2020
4.	Empanelment as Channel Partner having Channel Partner Code: D15112015	Motilal Oswal Channel Partner Network	2019
5.	Empanelment as Distributors of Mutual Funds	Computer Age Management Services Pvt. Ltd., Chennai	2018



## **OTHER REGULATORY AND STATUTORY DISCLOSURES**

### **AUTHORITY FOR THE ISSUE**

The Board of Director(s), pursuant to a resolution passed at their meeting held on August 08, 2022, the Issue, subject to the approval of the shareholders of our Company under the Companies Act, 2013, and such other authorities as may be necessary. The shareholders of our Company have, pursuant to a special resolution passed under the Companies Act, 2013 at an Extraordinary General Meeting held on August 10, 2022 authorized the Issue.

Our Company has obtained in-principle approval from the SME Platform of BSE Limited for using its name in the Draft Prospectus pursuant to an approval letter dated [•]. For the purpose of this Issue, SME Platform of Bombay Stock Exchange (“**SME BSE**”) is the Designated Stock Exchange.

### **PROHIBITION BY SEBI, THE RBI OR OTHER GOVERNMENTAL AUTHORITIES**

Our Company, our Promoters, our Promoter Group, our Director(s), person(s) in control of our Promoters or our Company is not prohibited from accessing the capital market or debarred from buying, selling or dealing in securities under any order or direction passed by the SEBI or any securities market regulator in any other jurisdiction or any other authority/ court. Neither our Promoters, nor any of our Director(s) of our Company are a promoter, director of any other company which is debarred from accessing the capital market by the SEBI.

Neither our Company nor any of our Promoters or Directors have been identified as willful defaulter(s) or fraudulent borrower(s) by the RBI or any other governmental authority.

### **COMPLIANCE WITH THE COMPANIES (SIGNIFICANT BENEFICIAL OWNERS) RULES, 2018**

Our Company, our Promoters and Promoter Group are in compliance with the Companies (Significant Beneficial Owners) Rules, 2018, as amended from time to time.

### **Association with Securities Market**

We confirm that none of our Director(s) is associated with the securities market in any manner except for trading on day-to-day basis for the purpose of investment and there is no outstanding action initiated against them by SEBI in the past 5 years.

### **Eligibility for this Issue**

Our Company is in compliance with the following conditions specified in Regulation 228 of the SEBI (ICDR) Regulations:

- a. Neither our Company nor any of its Promoters, Promoter Group or our Director(s) are debarred from accessing the capital markets by SEBI;

- b. Neither our Promoter(s) nor any of our Director(s) is a promoter or a director of any other company which is debarred from accessing the capital market by the SEBI;
- c. Neither our Company nor any of our Promoter(s) or Director(s) is willful defaulter or fraudulent borrower; and
- d. Neither our Promoters nor any of our Director(s) is a fugitive economic offender.

Our Company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations, and this Issue is an “Initial Public Offer” in terms of the SEBI (ICDR) Regulations.

Our Company is eligible for the Issue in accordance with Regulation 229 and other provisions of Chapter IX of the SEBI (ICDR) Regulations, as we are an Issuer whose post-issue face value capital will be more than INR 10 Crore but less than INR 25 Crore, and we propose to list the same on the Small and Medium Enterprise Exchange (“**SME Exchange**”), in this case being the SME Platform of Bombay Stock Exchange. Further, Our Company satisfies track record and/or other eligibility conditions of BSE.

We confirm that:

- a. In accordance with Regulation 246 of the SEBI (ICDR) Regulations, SEBI has not issued any observations on our Draft Prospectus. The Prospectus has been filed with the Registrar of Companies, Karnataka. Also, we shall ensure that our Lead Manager submits the copy of Prospectus along with a Due Diligence Certificate as per Form A of Schedule V to SEBI (ICDR) Regulations including additional confirmations as required by SEBI at the time of submission of the Prospectus with SEBI in Form G of Schedule V to SEBI (ICDR) Regulations.
- b. The face value of Equity Shares of Our Company is ₹1/- (Rupees One only) for each Equity Share. As detailed in the chapter “Capital Structure” beginning on page 78 of this Draft Prospectus
- c. Price of the Equity Shares is not less than the face value of the Equity Shares. For further details pertaining to pricing of Equity Shares please refer to “Capital Structure” on page 78 of this Draft Prospectus
- d. In accordance with Regulation 260 of the SEBI (ICDR) Regulations, this Issue has been hundred percent (100%) underwritten and that the Lead Manager to the Issue has underwritten at least fifteen per cent (15%) of the total Issue size. For further details pertaining to said underwriting please refer to “General Information – Underwriting” on page 65 of this Draft Prospectus
- e. In accordance with Regulation 261 of the SEBI ICDR Regulations, the Lead Manager will ensure compulsory market making for a minimum period of three (3) years from the date of listing of Equity Shares offered in the Issue. For further details of the market making arrangement see the chapter titled “General Information” beginning on page 65 of this Draft Prospectus.

- f. In accordance with Regulation 268(1) of the SEBI (ICDR) Regulations, our Company shall ensure that the total number of proposed allottees in the Issue is greater than or equal to fifty (50), otherwise, the entire application money will be refunded forthwith. If the Equity Shares are not allotted and/or the application monies are not refunded or unblocked within such time as may be specified by SEBI, our Company shall pay interest at the rate of fifteen (15%) per annum and within eight (8) days.
- g. The post-issue paid up capital of our Company will be INR [•] Lakhs which is less than ₹ 25 Crore. For further information refer to the chapter “Capital Structure” beginning on page no. 78 of this Draft Prospectus.
- h. Our Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR).
- i. There is no winding up petition against the Company, which has been admitted by the court or a liquidator has not been appointed.
- j. We confirm that no material regulatory or disciplinary action by a stock exchange or regulatory authority has been taken in the past three years against our Company.
- k. There is no change in the promoter of the company in preceding one year from date of filing the application to BSE for listing under SME segment.
- l. 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, Group Companies, companies promoted by the promoters of the company.
- m. We have a website: <https://www.dharnicapital.com/>
- n. We confirm that nothing in this Draft Prospectus is contrary to the provisions of Companies Act, the Securities Contracts (Regulation) Act, 1956 (42 of 1956) and the Securities and Exchange Board of India Act, 1992 (15 of 1992) and the rules and regulations made thereunder.
- o. We confirm that Lead Manager i.e. Srujan Alpha Capital Advisors LLP, are not associates as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992 of our Company.
- p. The Net-worth of our Company is Positive as per latest audited financial statement.
- q. Our Company’s net worth and cash accruals from operations (earnings before depreciation and tax), based on the Restated Standalone Financial Statements included in this Draft Prospectus for the period ended on as at Fiscals ended March 31, 2022, March 31, 2021 and March 2020 are set forth below:

(in Lakhs)

Particulars	March 2020	March 2021	March 2022
Net Worth	-4.11	11.16	226.73
Net Tangible Assets	-4.11	11.16	226.73
Cash Accruals	4.54	21.90	134.34



- (i) *Net Worth has been computed as the aggregate of equity shares capital and reserves (excluding revaluation reserves) and after deducting miscellaneous expenditure not written off, if any.*
- (ii) *Net Tangible Assets is total tangible assets less outside liabilities.*
- (iii) *Cash accruals has been defined as the Earnings before depreciation and tax from operations.*

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 Stock Exchange/s.

#### **Other Disclosures:**

- 1) We have Disclosed all material regulatory or disciplinary action by a stock exchange or regulatory authority in the past one year in respect of promoters/promoting company(ies), group companies, companies promoted by the promoters/promoting company(ies) of the applicant company in the Draft Prospectus.
- 2) There are no Defaults in respect of payment of interest and/or principal to the debenture/bond/fixed deposit holders, banks, FIs by the applicant, promoters/promoting company(ies), group companies, companies promoted by the promoters/promoting company(ies) during the past three years. Except as mentioned in the Draft Prospectus. An auditor's certificate will be provided by the issuer to the exchange, in this regard.
- 3) We have disclosed the details of the applicant, promoters/promoting company(ies), group companies, companies promoted by the promoters/promoting company(ies) litigation record, the nature of litigation, and status of litigation, For details, please refer the chapter "Outstanding Litigation & Material Developments" on page no. 229 of this Draft Prospectus.
- 4) We have disclosed all details of the track record of the directors, the status of criminal cases filed or nature of the investigation being undertaken with regard to alleged commission of any offence by any of its directors and its effect on the business of the company, where all or any of the directors of issuer have or has been charge-sheeted with serious crimes like murder, rape, forgery, economic offences etc. For Details, refer the chapter "Outstanding Litigation & Material Developments" on page no. 229 of this Draft Prospectus.

As per Regulation 230 (1) of the SEBI ICDR Regulations, our Company has ensured that:

- The Prospectus has been filed with BSE and our Company has made an application to BSE for listing of its Equity Shares on the SME platform. BSE is the Designated Stock Exchange.
- Our Company has entered into an agreement dated July 12, 2022 with NSDL and agreement dated June 16, 2022 with CDSL for dematerialization of its Equity Shares already issued and proposed to be issued.
- The entire pre-Issue capital of our Company has shares fully paid-up Equity Shares and the Equity Shares proposed to be issued pursuant to this IPO will be fully paid-up.

- The entire Equity Shares held by the Promoters will be dematerialized form.
- Our Company has made firm arrangements of finance through verifiable means towards seventy five per cent of the stated means of finance for funding from the issue proceeds, excluding the amount to be raised through the proposed public offer or through existing identifiable internal accruals – Not required as the object of Issue is Investment in Subsidiary, general corporate purpose and issue expenses, for details, please refer the chapter “Objects of the Issue” on page no. 100 of this Draft Prospectus.

Our Company confirms that it will ensure compliance with the conditions specified in Regulation 230 (2) of the SEBI ICDR Regulations, to the extent applicable.

Further, our Company confirms that it is not ineligible to make the Issue in terms of Regulation 228 of the SEBI ICDR Regulations, to the extent applicable. The details of our compliance with Regulation 228 of the SEBI ICDR Regulations are as follows:

- (a) Neither our Company nor our Promoter, members of our Promoter Group or our Directors are debarred from accessing the capital markets by the SEBI.
- (b) None of our Promoter or Directors are promoters or directors of companies which are debarred from accessing the capital markets by the SEBI.
- (c) Neither our Company nor our Promoters or Directors is a wilful defaulter.
- (d) None of our Promoters or Directors is a fugitive economic offender.

We further confirm that we shall be complying with all other requirements as laid down for such offer under Chapter IX of SEBI (ICDR) Regulations, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

### **Compliance with Part A of Schedule VI of the SEBI (ICDR) Regulations**

Our Company is in compliance with the provisions specified in Part A of Schedule VI of the 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 DRAFT PROSPECTUS TO 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 THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT PROSPECTUS. THE LEAD MANAGER SRUJAN ALPHA CAPITAL ADVISORS LLP HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ICDR) REGULATIONS, 2018. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING 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 PROSPECTUS, THE LEAD MANAGER, SRUJAN ALPHA CAPITAL ADVISORS LLP IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGER, SRUJAN ALPHA CAPITAL ADVISORS LLP HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED AUGUST 30, 2022 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SEBI (ICDR) REGULATIONS, 2018.**

**THE FILING OF THE DRAFT PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR 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 LEAD MANAGER, SRUJAN ALPHA CAPITAL ADVISORS LLP ANY IRREGULARITIES OR LAPSES IN THE DRAFT PROSPECTUS.**

***Note:***

All legal requirements pertaining to the Issue will be complied with at the time of registration of the Prospectus with the Registrar of Companies, Karnataka, in terms of Section 26 and Section 32 of the Companies Act 2013.

**DISCLAIMER FROM OUR COMPANY, OUR DIRECTOR(S) AND THE LEAD MANAGER**

Our Company, its Director(s) and the Lead Manager accepts no responsibility for statements made otherwise than in this Draft Prospectus or in the advertisement or any other material issued by or at the instance of the issuer and that anyone placing reliance on any other source of information would be doing so at their own risk.

The Lead Manager accepts no responsibility, save to the limited extent as provided in the Issue Agreement entered into between the Lead Manager and our Company dated August 24, 2022 and the Underwriting Agreement dated [•] entered into between the Underwriter and our Company and the Market Making Agreement dated [•] entered into among the Lead Manager, the Market Maker and our Company.

All information shall be made available by our Company and the Lead Manager to the Applicants and public 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, at collection centers or elsewhere.

The Lead Manager and its associates and affiliates may engage in transactions with, and perform services for our Company and our respective affiliates and associates in the ordinary course of business, and have engaged, or may in the future engage in commercial banking and investment banking transactions with our Company or our affiliates or associates for which they have received, and may in future receive compensation.

*Note:*

**Investors who apply in the Issue will be required to confirm and will be deemed to have represented to our Company, 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 of our Company and 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 and approvals to acquire Equity Shares of our Company. Our Company, the Underwriter 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 of our Company.**

**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, except through their legal guardian) HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in shares, Indian Mutual Funds registered with SEBI, 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, 2013, 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, AIF, 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 IRDA, provident fund with minimum corpus of 2,500 Lakhs, pension fund with minimum corpus of 2,500 lakhs, NIF set up by resolution no. F. No. 2/3/2005-DDII dated 23<sup>rd</sup> November 2005 of the Government of India published in the Gazette of India, insurance funds set up and managed by army, navy or air force of the Union of India and Insurance funds set up and managed by the Department of Posts, India, provided that they are eligible under all applicable laws and regulations to hold Equity Shares of the Company. This Draft 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 Prospectus comes is required to inform himself 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) Bangalore, Karnataka in 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. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Draft 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 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.

### **Disclaimer Clause of the SME Platform of BSE**

BSE Limited ("BSE") has given vide its letter [●] 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 THE U.S. SECURITIES ACT**

The Equity Shares have not been, and will not be, registered under the U.S. Securities Act 1933, as amended ("**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 S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold outside the United States in compliance with Regulation S of the Securities Act and the applicable laws of the jurisdiction 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, to any 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.

## **FILING**

This Draft Prospectus shall not be filed with SEBI, nor will SEBI issue any observation on the Draft Prospectus in terms of Regulation 246 of SEBI (ICDR) Regulations. However, a copy of the Prospectus shall be furnished to SEBI through online portal.

A copy of the Prospectus, along with the documents required to be filed under Section 26 and Section 32 of the Companies Act, 2013 will be delivered for filing with the Registrar of Companies, Karnataka.

## **LISTING**

An application shall be made to SME Platform of Bombay Stock Exchange for obtaining permission for listing of the Equity Shares being offered and sold in the Issue on its SME Platform of BSE after the allotment in the Issue. BSE is the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Issue.

If the permission to deal in and for an official quotation of the Equity Shares on the SME Platform is not granted by BSE, our Company shall forthwith repay, without interest, all monies received from the applicants in pursuance of the Prospectus. The allotment letters shall be issued or application money shall be refunded / unblocked within eight (8) days from the closure of the Issue or such lesser time as may be specified by SEBI or else the application money shall be refunded to the applicants forthwith, failing which interest shall be due to be paid to the applicants at the rate of fifteen per cent (15%) per annum for the delayed period as prescribed under Companies Act, 2013, the SEBI (ICDR) Regulations and other applicable law.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at SME Platform of Bombay Stock Exchange are taken within 6 (Six) Working Days of the Issue Closing Date.

The Company has obtained approval from BSE *vide* letter dated [•] to use the name of BSE in this Draft Prospectus for listing of equity shares on SME Platform of Bombay Stock Exchange.

### **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.”**

The liability prescribed under Section 447 of the Companies Act, 2013, includes, for frauds involving an amount of at least ₹ 10,00,000/- or one per cent. of the turnover of the company, whichever is lower, imprisonment for a term of not less than six (6) months extending up to ten (10) years (provided that where the fraud involves public interest, such term shall not be less than three (3) years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

Where the fraud involves an amount less than ₹ 10,00,000/- (Rupees Ten lakhs only) or one per cent (1%) 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 (5) years or with fine which may extend to ₹ 50,00,000/- (Rupees Fifty lakhs only) or with both.

### **CONSENTS**

Consents in writing of the Director(s), the Promoter, Chief Financial Officer, the Company Secretary & Compliance Officer, the Statutory Auditor, the Banker to the Company, the Lead Manager, Registrar to the Issue, Banker to the Issue, Sponsor Bank\*, Refund Banker\*, Legal

Advisor to the Issue, Underwriter to the Issue\* and Market Maker to the Issue\* to act in their respective capacities, have been obtained and shall be filed along with a copy of the Prospectus with the RoC, as required under Sections 26 & 32 of the Companies Act, 2013 and such consents will not be withdrawn up to the time of delivery of the Prospectus/ Prospectus for registration with the RoC.

*\* The consent will be taken while registering the Prospectus with Roc.*





## **EXPERT OPINION**

Except for the reports in the section “Financial Information of the Company” and “Statement of Tax Benefits” on page 181 and page 112 of this Draft Prospectus from the Statutory Auditor and Peer Review Auditors, our Company has not obtained any expert opinions. We have received written consent from the Peer Review Auditors and Statutory Auditor for inclusion of their name. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act 1933.

## **PREVIOUS RIGHTS AND PUBLIC ISSUES DURING THE LAST FIVE YEARS**

We have not made any previous rights and/or public issues during the last five (5) years 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.

## **COMMISSION AND BROKERAGE PAID ON PREVIOUS ISSUES OF OUR EQUITY SHARES IN LAST FIVE YEARS**

Since this is the Initial Public Offer of the 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 the Equity Shares since inception of the Company.

## **DETAILS OF PUBLIC/ RIGHTS ISSUES BY LISTED GROUP COMPANIES, SUBSIDIARIES AND ASSOCIATE IN THE LAST THREE YEARS**

As on the date of this Draft Prospectus, none of our Subsidiary, Group Companies, or Associate is listed or has made any application for listing on any stock exchange in India or overseas.

## **Performance vis-à-vis objects – Public/rights issue of our Company and/or listed Group Companies/ Subsidiaries and Associates of our Company**

Except as stated in the chapter titled “Capital Structure” beginning on page 78 of this Draft Prospectus our Company has not undertaken any previous public or rights issue. None of the Group Companies/ Entities or associates of our Company are listed on any stock exchange.

## **Performance vis-a-vis objects - Last Issue of Group/Associate Companies**

Except as disclosed in this Draft Prospectus, All of our Group/ Associate are unlisted and have not made a public issue of shares.

## **Outstanding Debentures or Bond Issues or Redeemable Preference Shares and other instruments**

Our Company does not have any outstanding debentures or bonds or Preference Redeemable Shares as on the date of filing this Draft Prospectus.

Our Company does not have any outstanding convertible instruments as on the date of filing this Draft Prospectus.

Equity Shares being offered through the Prospectus can be applied for in dematerialized form only.

This being an initial public offering of the Equity Shares of our Company, the Equity Shares are not listed on any Stock Exchanges.

*Srujan Alpha Capital Advisors LLP, our Lead Manager, has been issued a certificate of registration dated July 15, 2021 by SEBI as Merchant Banker Category – 1 with registration no. INM000012829. Given below is the statement on price information of past issues handled by Srujan Alpha Capital Advisors LLP: -*

S. No.	Issue Name	Issue Size (Amount in Lacs)	Issue Price (₹)	Listing Date	Opening Price on listing date	+/- % change in closing price, [ +/- % change in closing benchmark] - 30 <sup>th</sup> calendar days from listing	+/- % change in closing price, [ +/- % change in closing benchmark] - 90 <sup>th</sup> calendar days from listing	+/- % change in closing price, [ +/- % change in closing benchmark] - 180 <sup>th</sup> calendar days from listing
1	-	-	-	-	-	-	-	-
2	-	-	-	-	-	-	-	-
3	-	-	-	-	-	-	-	-

[illegible]



- 1) *Benchmark Index considered as Sensex 30 Index and Nifty 50 Index.*
- 2) *Prices on NSE/BSE are considered for all of the above calculations.*
- 3) *In case 30<sup>th</sup>/90<sup>th</sup>/180<sup>th</sup> day is a holiday, closing price on NSE/BSE of the previous trading day has been considered.*
- 4) *In case 30<sup>th</sup>/90<sup>th</sup>/180<sup>th</sup> day, scrips are not traded then closing price on NSE/BSE of the previous trading day has been considered.*

## INVESTOR GRIEVANCES AND REDRESSAL SYSTEM

The Company has appointed Cameo Corporate Services Limited as the Registrar to the Issue, to handle the investor grievances in coordination with the Compliance Officer of the Company. All grievances relating to the present Issue may be addressed to the Registrar with a copy to the Compliance Officer, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and name of bank and branch. The Company would monitor the work of the Registrar to ensure that the investor grievances are settled expeditiously and satisfactorily.

The Registrar to the Issue, namely, Cameo Corporate Services Limited, will handle investor's grievances pertaining to the Issue. A fortnightly status report of the complaints received and redressed by them would be forwarded to the Company. The Company would also be co-ordinating with the Registrar to the Issue in attending to the grievances to the investor.

All grievances relating to the ASBA process may be addressed to the SCSBs, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the Designated Branch of the SCSB where the Application Form was submitted by the Applicant. We estimate that the average time required by us or the Registrar to the Issue or the SCSBs for the redressal of routine investor grievances will be seven (7) business 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 constituted Stakeholders Relationship Committee in the meeting of our Board of Director(s) held on August 10, 2022. For further details on the Committees, please refer to the section titled "Our Management" beginning on page 149 of this Draft Prospectus.

**Our Company has appointed CS Mayank Mundhra as the Compliance Officer to redress the complaints, if any, of the investors participating in the Issue.**

**Contact details for our Compliance Officer are as follows:**

**Name:** CS Mayank Mundhra

**Address:** 226, Brigade Metropolis Arcade, Whitefield Main Road, Garudacharpalya, Bangalore 560 048, Karnataka, India

**Tel:** +91 8049526711

**Email:** [cs@dharnigroup.com](mailto:cs@dharnigroup.com)

**Website:** <https://www.dharnicapital.com/>

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 Equity Shares in the respective beneficiary account or refund orders, etc.



Pursuant to the press release no. PR. No. 85/2011 dated 8<sup>th</sup> June 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](http://www.scores.gov.in)

### **STATUS OF INVESTOR COMPLAINTS**

We confirm that we have not received any investor complaint during the three (3) years preceding the date of this Draft Prospectus and hence there are no pending investor complaints as on the date of this Draft Prospectus.

### **DISPOSAL OF INVESTOR GRIEVANCES BY LISTED COMPANIES UNDER THE SAME MANAGEMENT AS THE COMPANY**

As on the date of this Draft Prospectus, our Company does not have any Listed Group Company.

### **Change in Auditors during the last three (3) years**

Except as disclosed in Chapter titled “General Information” beginning on Page 65 of this Draft 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 section titled “Capital Structure” beginning on page 78 of this Draft Prospectus, our Company has not capitalized its reserves or profits at any time since incorporation.

### **Revaluation of Assets**

Our Company has not revalued its assets since incorporation.

### **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 section titled “Statement of Tax Benefits” beginning on page 112 of this Draft Prospectus.

### **Purchase of Property**

Other than as disclosed in Section “Business Overview” beginning on page 218 of the Draft 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 Draft 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 Prospectus, our Company has not purchased any property in which the Promoter and/or Directors have any direct or indirect interest in any payment made there under.

### **Servicing Behavior**

Except as stated in this Draft 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 chapter titled "Our Management" beginning on page 149 and Restated Statement of Related Party Transactions" under chapter titled "Financial Information of our Company" beginning on page 181 of the Draft Prospectus, none of the beneficiaries of loans and advances and sundry debtors are related to the Directors of our Company.

## SECTION IX: ISSUE INFORMATION

### TERMS OF THE ISSUE

*The Equity Shares being Issued are subject to the provisions of the Companies Act, SCRA, SCRR, SEBI (ICDR) Regulations, the SEBI Listing Regulations, our Memorandum and Articles of Association, the terms of this draft prospectus, the prospectus, the abridged draft prospectus, Application Form, CAN, the Revision Form, Allotment advices, and other terms and conditions as may be incorporated in the documents/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 of capital and listing and trading of securities issued 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.*

*Please note that in terms of regulation 256 of the SEBI (ICDR), 2018 read with SEBI Circular CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, all the investors applying in this issue shall use only Application Supported by Blocked Amount (ASBA) facility for making payment i.e., just writing their bank account numbers and authorising the banks to make payment in case of allotment by signing the application forms. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019, Retail Individual Investors applying in public issue may use either Application Supported by Blocked Amount (ASBA) process or UPI payment mechanism by providing UPIID in the Application Form which is linked from Bank Account of the investor.*

### AUTHORITY FOR THE PRESENT ISSUE

This Issue has been authorized by a resolution of the Board passed at their meeting held on August 08, 2022 subject to the approval of shareholders through a special resolution to be passed pursuant to Section 62(1)(c) of the Companies Act, 2013. The Shareholders have authorized the Issue by a special resolution in accordance with Section 62(1)(c) of the Companies Act, 2013 passed at the EGM of the Company held on August 10, 2022.

### RANKING OF EQUITY SHARES

The Equity Shares being Issued shall be subject to the provisions of the Companies Act, 2013 and our Memorandum and Articles of Association 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 see the section titled “*Main Provisions of the Articles of Association*” beginning on page 317 of this Draft Prospectus.

### MODE OF PAYMENT OF DIVIDEND

Our Company shall pay dividend to the shareholders of our Company in accordance with the provisions of the Companies Act, 2013, as may be applicable, the Articles of Association of our Company, the provisions of the SEBI Listing Regulations and any other rules, regulations





or guidelines as may be issued by the Government of India in connection there to and as per the recommendation by our Board of Directors and approved by our 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. For further details, in relation to dividends, see “Dividend Policy” and “Main Provisions of the Articles of Association” beginning on page 179 and 317, respectively of this Draft Prospectus.

## **FACE VALUE AND ISSUE PRICE**

The face value of the share of our company is ₹ 1 per equity share and the issue price is ₹ [●] per equity share. The Issue Price is determined by our Company in consultation with the Lead Manager and is justified under the Section titled, “*Basis for Issue Price*” beginning on page 107 of this draft prospectus. At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.

## **COMPLIANCE WITH SEBI (ICDR) REGULATIONS**

Our Company shall comply with all requirements of the SEBI (ICDR) Regulations as amended time to time. 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 of our Company, the equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to receive Annual Reports & notices to members;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy or e-voting, in accordance with the provisions of the Companies Act;
- Right to receive Issue for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation; subject to any statutory and other preferential claims being satisfied;
- Right of free transferability of the Equity Shares, subject to applicable law, including any RBI Rules and Regulations; and
- Such other rights, as may be available to a shareholder of a listed public company under the previous Companies Act, 1956 and Companies Act, 2013, as may be applicable, terms of the SEBI Listing Regulations and the Memorandum and Articles of Association of our Company.

For further details on the main provision of our Company’s Articles of Association dealing with voting rights, dividend, forfeiture and lien, transfer and transmission and/or consolidation/splitting, etc., please refer to Section titled, “*Main Provisions of the Articles of Association*” beginning on page 317 of this draft prospectus.



### **MINIMUM APPLICATION VALUE, MARKET LOT AND TRADING LOT**

In terms of Section 29 of the Companies Act, 2013, the Equity Shares shall be allotted only in dematerialized form. As per the existing SEBI (ICDR) Regulations, the trading of the Equity Shares shall only be in dematerialized form for all investors. In this context, two agreements have been signed among our Company, the respective Depositories and the Registrar to the Issuer:

1. Tripartite agreement dated July 12, 2022 between our Company, NSDL and the Registrar to the Issue.
2. Tripartite agreement dated June 16, 2022 between our Company, CDSL and the Registrar to the Issue

As per the provisions of the Depositories Act, 1996 & regulations made there under and Section 29 (1) of the Companies Act, 2013, the equity shares of a body corporate can 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.

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 draft prospectus will be done in multiples of [\*\*] Equity Shares 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 the Regulation 268 of SEBI ICDR Regulations, the minimum number of allottees in this 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 blocked by the SCSBs shall be unblocked within 4 working days of closure of issue.

### **JOINT HOLDERS**

Where two (2) 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 this section shall upon the production of such evidence as may be required by the Board, elect either:

1. To register himself or herself as the holder of the Equity Shares; or
2. 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 ninety (90) 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 will be made only in dematerialized form, there is no need to make a separate nomination with our Company. 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.

## ISSUE PROGRAM

<b>ISSUE OPENS ON</b>	[●]
<b>ISSUE CLOSES ON</b>	[●]

An indicative timetable in respect of the Issue is set out below:

<b>Finalization of Basis of Allotment with the Designated Stock Exchange</b>	On or before [●]
<b>Initiation of Refunds / unblocking of funds from ASBA Account*</b>	On or before [●]
<b>Credit of Equity Shares to demat account of the Allottees</b>	On or before [●]
<b>Commencement of trading of the Equity Shares on the Stock Exchanges</b>	On or before [●]

\*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 Exchange 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 LM 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 and the Applicant shall be compensated in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 02, 2021 shall be deemed to be incorporated in the deemed agreement of the Company with the SCSBs to the extent applicable.

- *In terms of regulation 265 of SEBI (ICDR) Regulation, 2018, the issue shall be open after at least three working days from the date of filing the prospectus with the Registrar of Companies.*
- *In terms of regulation 266(1) of SEBI (ICDR) Regulation, 2018, except as otherwise provided in these regulations, the public issue shall be kept open for at least three working days and not more than ten working days.*
- *In terms of regulation 266(2) of SEBI (ICDR) Regulation, 2018, In case of a revision in the price band, the issuer shall extend the bidding (issue) period disclosed in the draft prospectus, for a minimum period of three working days, subject to the provisions of sub-regulation (1) is not applicable to our company as this is fixed price issue.*
- *In terms of regulation 266(3) of SEBI (ICDR) Regulation, 2018, In case of force majeure, banking strike or similar circumstances, our company may, for reasons to be recorded in writing, extend the issue period disclosed in the draft prospectus, for a minimum period of three working days, subject to the provisions of sub-regulation 266(1).*

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 LM, 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 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 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 LM 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 BSE SME 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.

### **MINIMUM SUBSCRIPTION**

In accordance with Regulation 260(1) of SEBI (ICDR) Regulations, this Issue is 100% underwritten, so this issue is not restricted to any minimum subscription level.

As per section 39 of the new Companies Act, if the “stated minimum amount” has not been subscribed and the sum payable on application is not received within a period of thirty (30) days from the date of issue of draft prospectus, the application money has to be returned within such period as may be prescribed.

If our Company does not receive the subscription of 100% of the Issue through this Issue Document including devolvement of Underwriters, if any, within sixty (60) days from the date of closure of the issue, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond eight (8) days after our Company becomes liable to pay the amount, our Company shall pay interest prescribed under section 73 of the Companies Act, 2013 and applicable law.

In accordance with Regulation 260 of the SEBI (ICDR) Regulations, our Issue shall be hundred percent underwritten. Thus, the underwriting obligations shall be for the entire hundred percent of the issue through the Prospectus and shall not be restricted to the minimum subscription level.



Further, in accordance with Regulation 268(1) of the SEBI (ICDR) Regulations, our Company shall ensure that the number of prospective allottees to whom the Equity Shares will allotted will not be less than 50 (Fifty).

Further, in accordance with Regulation 267(2) of the SEBI (ICDR) Regulations, our Company shall ensure that the minimum application size in terms of number of specified securities shall not be less than ₹1,00,000 (Rupees One Lakh only) per application.

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 Issued or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

#### **ARRANGEMENTS FOR DISPOSAL OF ODD LOTS**

The trading of the Equity Shares will happen in the minimum contract size of [●] equity shares in terms of the SEBI Circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, in terms of Regulation 261(5) of the SEBI ICDR Regulations, 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 BSE.

#### **WITHDRAWAL OF THE ISSUE**

Our Company in consultation with the Lead Managers, reserve the right to not to proceed with the Issue after the 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 (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 Lead Managers through, the Registrar to the Issue, shall notify the SCSBs or the Sponsor Bank to unblock the bank accounts of the ASBA Bidders within one (1) working day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchange on which Equity Shares are proposed to be listed. If the Issue is withdrawn after the designated Date, amounts that have been credited to the Public Issue Account shall be transferred to the Refund Account.

Notwithstanding the foregoing, this Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchange, which our Company shall apply for after Allotment, and (ii) the final ROC approval of the Prospectus after it is registered with the ROC. If our Company withdraws the Issue after the Issue Closing Date and thereafter determines that it will proceed with an issue, our Company shall file a fresh Draft Prospectus.

#### **APPLICATION BY ELIGIBLE NRI'S, FPI'S/FII'S REGISTERED WITH SEBI, VCF'S REGISTERED WITH SEBI AND QFIs**

It is to be understood that there is no reservation for Eligible NRIs or FPIs/FIIs registered with SEBI or VCFs or QFIs. Such Eligible NRIs, QFIs, FIIs registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.



NRIs, FPIs/FIIs and foreign venture capital investors registered with SEBI are permitted to purchase shares of an Indian company in a public Issue without the prior approval of the RBI, so long as the price of the equity shares to be issued is not less than the price at which the equity shares are issued to residents. The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the foreign direct investment (“FDI”) Policy and the non-resident shareholding is within the sectoral limits under the FDI policy; and (ii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, provides 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 investors.

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.

#### **AS PER THE EXTANT POLICY OF THE GOVERNMENT OF INDIA, OCBs CANNOT PARTICIPATE IN THIS ISSUE**

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 incorporated non-resident entities in terms of

Regulation 5(1) of RBI Notification No.20/2000-RB dated May 03, 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 Application Form, the OCB shall be eligible to be considered for share 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 in the Section titled “*Capital Structure*” beginning on page 78 of this draft prospectus, and except as provided in the Articles of Association of our Company, there are no restrictions on transfer and transmission and on their consolidation/splitting of Equity Shares. For further details, please refer to the Section titled, “Main Provisions of the Articles of Association”, beginning on page 317 of this draft prospectus.

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 LM do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the LM are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this draft 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 or regulations.

#### **OPTION TO RECEIVE EQUITY SHARES IN DEMATERIALIZED FORM**

As per Section 29 of the Companies Act, 2013 and in accordance with SEBI (ICDR) Regulations, every company making public Issue shall issue securities only in dematerialized form only. Hence, the Equity Shares being Issued can be applied for in the dematerialized form only. Further, it has been decided by the SEBI that trading in securities of companies making an initial public Issue shall be in dematerialized form only. The Equity Shares on Allotment will be traded only on the dematerialized segment of the SME platform of BSE.

#### **MIGRATION TO MAIN BOARD**

In accordance with the BSE Circular dated November 26, 2012, our Company will have to be mandatorily listed and traded on the SME Platform of the BSE for a minimum period of two years from the date of listing and only after that it can migrate to the Main Board of the BSE as per the guidelines specified by SEBI and as per the procedures laid down under Chapter IX of the SEBI (ICDR) Regulations.

- If the Paid up Capital of our 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 promoters 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 our 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 fulfilment of the eligibility criteria for listing of specified securities laid down by the Main Board.

OR

- If the Paid-up Capital of the company is more than ₹ 10 crore but below ₹25 crore, 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 promoters 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.
- Any company desiring to migrate to the Main board from the SME Board within two years of listing on SME Platform of BSE has to fulfill following conditions:



- a. The increase in post issue face value capital beyond ₹ 25 crores should arise only because of merger/acquisition or for expansion purposes.
- b. The company should have a minimum turnover of ₹ 100 crores as per last audited financials and market capitalization of ₹ 100 crores.
- c. The company should have a minimum profit before tax of ₹ 10 crore for two years out of three preceding years.
- d. There should not be any action against the company by any regulatory agency at the time of application for migration.

## MARKET MAKING

The Equity Shares offered through this Issue are proposed to be listed on the SME Platform of BSE, wherein [●] is the Market Maker to this Issue shall ensure compulsory Market Making through the registered Market Makers of the BSE SME for a minimum period of three (3) years from the date of listing on the SME Platform of BSE. For further details of the agreement entered into between our Company, the Lead Manager and the Market Maker please refer to Section titled, “*General Information*” beginning on page 65 of this draft prospectus.

In accordance with the SEBI Circular No. CIR/MRD/DSA/31/2012 dated November 27, 2012; it has been decided to make applicable limits on the upper side for the Market Makers during market making process taking into consideration the Issue size in the following manner:

Issue size	Buy quote exemption threshold (including mandatory initial inventory of 5% of issue size)	Re-entry threshold for buy quotes (including mandatory initial inventory of 5% of issue size)
Upto ₹20 Crore, as applicable in our case	25%	24%

Further, the Market Maker shall give (2) Two ways quotes till it reaches the upper limit threshold; thereafter it has the option to give only sell quotes. Two (2) way quotes shall be resumed the moment inventory reaches the prescribed re-entry threshold.

In view of the Market Maker obligation, there shall be no exemption/threshold on downside. However, in the event the Market Maker exhausts its inventory through market making process on the platform of the exchange, the concerned stock exchange may intimate the same to SEBI after due verification.

## 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 NRIs, FPIs Registered with SEBI, VCFs, AIFs registered with SEBI and QFIs. It is to be understood that there is no reservation for Eligible NRIs or FPIs or QFIs or VCFs or AIFs registered with SEBI. Such Eligible NRIs, QFIs, FPIs, VCFs or AIFs registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

**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 and one regional newspaper with wide circulation where the Registered Office of our Company is situated.

**JURISDICTION**

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/authorities in Bangalore, Karnataka, India.

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and may not be Issued or sold within the United States to, or for the account or benefit of “U.S. persons” (as defined in Regulation S), except pursuant to an exemption from or in a transaction not subject to, registration requirements of the U.S. Securities Act and applicable U.S. state Securities laws. Accordingly, the Equity Shares are only being Issued or sold outside the United States in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those Issues 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 Issued or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

## ISSUE STRUCTURE

*This Offer has been made in terms of Regulation 229(1) of Chapter IX of SEBI ICDR Regulations whereby, our post-Offer face value capital does not exceed ten crore rupees. The Company shall issue specified securities 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 Limited). For further details regarding the salient features and terms of such Offer, please refer to the chapter titled "Terms of the Issue" and "Issue Procedure" beginning on page 256 and 271 of this Prospectus.*

### PRESENT ISSUE STRUCTURE

Initial Public Issue of up to 55,00,000 Equity Shares for cash at a price of ₹ [●] per Equity Share (including a Share Premium of ₹ [●] per Equity Share), aggregating up to ₹ [●] Lakhs by our Company.

The Issue comprises a reservation of up to [●] Equity Shares of face value of ₹1/- each for subscription by the designated Market Maker ("the Market Maker Reservation Portion") and Net Issue to Public of up to [●] Equity Shares of face value of ₹1/- each ("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 through the Fixed Price Process.

Particulars of the Issue	Net Issue to Public	Market Maker Reservation Portion
Number of Equity Shares available for allocation	Up to [●] Equity Shares	Up to [●] Equity Shares
Percentage of Issue Size available for allocation	[●] % of the Issue Size	[●] % of the Issue Size
Basis of Allotment	Proportionate subject to minimum allotment of [●] Equity Shares and further allotment in multiples of [●] Equity Shares each <sup>(1)</sup>  For further details please refer to the Basis of Allotment on page 107 of the Prospectus	Firm Allotment
Mode of Application	All the applicants shall make the application (Online or Physical) through the ASBA Process only (including UPI mechanism for Retail Individual Investors using Syndicate ASBA)	
Minimum Application Size	<i>For Other than Retail Individual Investors:</i> Such number of Equity Shares in multiples of [●] Equity Shares such that the Application Value exceeds ₹ 2,00,000.  <i>For Retail Individuals Investors:</i> [●] Equity Shares	Up to [●] Equity Shares

Maximum Application Size	<p><i>For Other than Retail Individual Investors:</i></p> <p>Such number of Equity Shares in multiples of [●] Equity Shares such that the Application Size does not exceed ₹2,00,000 Equity Shares, subject to applicable limits to the Applicant.</p> <p><i>For Retail Individuals Investors:</i></p> <p>Such number of Equity Shares in multiples of [●] Equity Shares such that the application value does not exceed ₹2,00,000.</p>	Up to [●] Equity Shares
Mode of Allotment	Dematerialized Form	
Trading Lot	[●] Equity Shares	[●] Equity Shares, However the Market Makers may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2018.
Who can apply <sup>(2)</sup>	<p><i>For Other than Retail Individual Investors:</i></p> <p>Resident Indian individuals, Eligible NRIs, HUFs (in the name of the Karta), companies, corporate bodies, scientific institutions societies and trusts.</p> <p><i>For Retail Individuals Investors:</i></p> <p>Resident Indian individuals, HUFs (in the name of the Karta) and Eligible NRIs.</p>	Market Maker
Terms of Payment <sup>(3)</sup>	The entire Application Amount will be payable at the time of submission of the Application Form.	
Application Lot Size	[●] Equity Share and in multiples of [●] Equity Shares thereafter	

<sup>(1)</sup> Since present Issue is a fixed price issue, the allocation in the net issue to the public category in terms of Regulation 253(2) of the SEBI ICDR Regulations, shall be made as follows:

(a) Minimum fifty per cent to retail individual investors; and



*(b) Remaining to:*

*i) individual applicants other than retail individual investors; and*

*ii) other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;*

*Provided that the unsubscribed portion in either of the categories specified in (a) or (b) above may be allocated to the applicants in the other category.*

*Explanation - For the purpose of sub-regulation (2), if the retail individual investor category is entitled to more than fifty per cent of the issue size on a proportionate basis, the retail individual investors shall be allocated that higher percentage."*

*(2) In case of joint Applications, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such first Applicant would be required in the Application Form and such first Applicant would be deemed to have signed on behalf of the joint holders.*

*(3) In case of ASBA Applicants, the SCSB shall be authorised to block such funds in the bank account of the ASBA Applicant (including Retail Individual Investors applying through UPI mechanism) that are specified in the Application Form. SCSBs applying in the Issue must apply through an ASBA Account maintained with any other SCSB.*

This Issue is being made in terms of Chapter IX of the SEBI ICDR Regulations. For further details, please refer chapter titled "Issue Procedure" beginning on page 271 of this Draft Prospectus.

### **Withdrawal of the Issue**

The Company in consultation with the 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) and one in regional newspaper.

The 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.

**Issue Programme:**

<b>ISSUE OPENING DATE</b>	[●]
<b>ISSUE CLOSING DATE</b>	[●]

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 Centers mentioned in the Application Form.

Standardization of cut-off time for uploading of applications on the issue closing date:

- a) A standard cut-off time of 3.00 p.m. for acceptance of applications.
- b) A standard cut-off time of 4.00 p.m. for uploading of applications received from other than retail individual applicants.
- c) 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 LM 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.

Due to limitation of time available for uploading the application on the Issue Closing Date, Applicants are advised to submit their applications one day prior to the Issue Closing Date and, in any case, not later than 1:00 p.m. IST on the Issue Closing Date. Any time mentioned in this draft prospectus is IST. Applicants are cautioned that, in the event a large number of applications are received on the Issue Closing Date, as is typically experienced in public Issues, some applications may not get uploaded due to lack of sufficient time. Such applications 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 holiday).

## ISSUE PROCEDURE

All Applicants should read the General Information Document for Investing in Public Issue (“GID”), prepared and issued in accordance with the SEBI circular no SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 notified by SEBI and updated pursuant to the circular SEBI/HO/CFD/DIL2/CIR/P/2 dated March 30, 2020 (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 website of Stock Exchange, the Company and the Lead Managers. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue.

Additionally, all Applicants 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 application size; (iii) price discovery and allocation; (iv) payment Instructions for ASBA Applicants; (v) issuance of Confirmation of Allocation Note (“CAN”) and Allotment in the Issue; (vi) general instructions (limited to instructions for completing the Application Form); (vii) designated date; (viii) disposal of applications; (ix) submission of 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, 2013 relating to punishment for fictitious applications; (xii) mode of making refunds; and (xiii) interest in case of delay in Allotment or refund.

Please note that the information stated/covered in this section may not be complete and/or accurate and as such would be subject to modification/change. Our Company and Lead Managers do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document. Our Company and Lead Managers would not be able for any amendment, modification or change in applicable law, which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that their applications are submitted in accordance with the applicable laws and do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in this Draft Prospectus and the Prospectus.

SEBI through its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, and as modified through its circular SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 and the circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 (collectively the “UPI Circulars”) has proposed to introduce an alternate payment mechanism using Unified Payments Interface (“UPI”) and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI mechanisms for RIIs applying through Designated Intermediaries have been made effective along with the existing process and existing timeline of T+6 days. The same was applicable until June 30, 2019 (“UPI Phase I”).



With effect from July 1, 2019, with respect to Bids by RIIs through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Bids with existing timeline of T+6 days will continue for a period of three months or launch of five main board public issues, whichever is later (“UPI Phase II”). Further, as per the SEBI circular SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, the UPI Phase II has been extended until March 31, 2020. Further still, as per Sebi Circular SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, the current Phase II of Unified Payments Interface with Application Supported by Blocked Amount be continued till further notice. Subsequently, the final reduced timeline will be made effective using the UPI mechanism for applications by RIIs (“UPI Phase III”), as may be prescribed by SEBI. The revisions of the circular dated June 02, 2021 are elaborated as under: -

SCSB’s shall continue to send SMS alerts during the actual block/debit/unblock of UPI mandate in the prescribed format, the details of total number of shares applied/allotted/non-allotted etc. shall be included in SMS for Public Issues opening on/after January 01, 2022.

- The automated web portal shall be live and operational after due testing and mock trials with the CUG entities for Public Issues opening on or after October 01, 2021. The requisite information on this automated portal shall be updated periodically in intervals not exceeding two hours.
- In the interim, for the Public Issues opening from the date of this circular and till the automated web portal is live and operational, the Sponsor Banks shall send the details to the e-mail address of CUG entities periodically in intervals not exceeding three hours. In case of exceptional events viz., technical issues with UPI handles/PSPs/TPAPS/SCSB’s etc., the same shall be intimated immediately to the CUG entities so as to facilitate the flow of information in the Public Issue process.
- The Stock Exchanges and Book Running Lead Managers shall facilitate providing the requisite data of CUG entities to Sponsor Bank for the development of automated web portal. Such information shall be provided to the Sponsor Bank before opening of the Public Issue.
- The Registrar to the Issue shall provide the allotment/ revoke files to the Sponsor Bank by 8:00 PM on T+3 i.e., the day when the Basis of Allotment (BOA) has to be finalized.
- The Sponsor Bank shall execute the online mandate revoke file for Non-Allottees/ Partial Allottees and provide pending applications for unblock, if any, to the Registrar to the Issue, not later than 5:00 PM on BOA+1.
- Subsequent to the receipt of the pending applications for unblock from the Sponsor Bank, the Registrar to the Issue shall submit the bank-wise pending UPI applications for unblock to the SCSBs, not later than 6:30 PM on BOA+1 and ensure that the unblocking is completed on T+4.

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 ₹500,000 shall use the UPI Mechanism.

ASBA Applicants are required to submit ASBA Applications to the selected branches /offices of the RTAs, DPs, Designated Bank Branches of SCSBs.

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 <http://www.sebi.gov.in>. For details on designated branches of SCSB collecting the Application Form, please refer the above-mentioned SEBI link. The list of Stock Brokers, Depository Participants (“DP”), Registrar to an Issue and Share Transfer Agent (“RTA”) that have been notified by Stock Exchange to act as intermediaries for submitting Application Forms are provided on the website of the Stock Exchange. For details on their designated branches for submitting Application Forms, please refer the above-mentioned Stock Exchange website.

### **Phased implementation of Unified Payments Interface**

SEBI has issued a **UPI Circulars** in relation to streamlining the process of public issue of equity shares and convertibles. Pursuant to the UPI Circulars, UPI will be 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 RIIs through 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 Mechanism, the UPI Circular proposes to introduce and implement the UPI Mechanism in three phases in the following manner:

**Phase I:** This phase has become applicable from January 1, 2019 and will continue till June 30, 2019. Under this phase, a Retail Individual Applicant would also have the option to submit the Application Form with any of the intermediary and use his / her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing would continue to be six working days.

**Phase II:** This phase commenced on completion of Phase I i.e., with effect from July 1, 2019 and was to be continued for a period of three months or launch of five main board public issues, whichever is later. Further, as per the SEBI circular SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, the UPI Phase II has been extended until March 31, 2020. Further still, as per SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, the current Phase II of Unified Payments Interface with Application Supported by Blocked Amount be continued till further notice. Under this phase, submission of the Application Form by a Retail Individual Applicant through intermediaries to SCSBs for blocking of funds will be discontinued and will be replaced by the UPI Mechanism. However, the time duration from public issue closure to listing would continue to be six working days during this phase.

**Phase III:** Subsequently, the time duration from public issue closure to listing would be reduced to be three working days. All SCSBs offering facility of making application in public issues shall also provide facility to make application using the UPI Mechanism. The Issuers are 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 Applicants into the UPI mechanism. For further details, refer to the General Information Document available on the websites of the Stock Exchange and the Lead Managers.

### **Fixed Price Issue Procedure**

The Issue is being made under Chapter IX of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 through a Fixed Price Process. Wherein a minimum 50% of the Net Issue is allocated for Retail Individual Applicants and the balance shall be offered to individual applicants other than Retail Individual Applicants and other investors including Corporate Bodies or Institutions, QIBs and Non-Institutional Applicants. However, if the aggregate demand from the Retail Individual Applicants is less than 50%, then the balance Equity Shares in that portion will be added to the non-retail portion offered to the remaining investors including QIBs and NIIs and vice-versa subject to valid Applications being received from them at or above the Issue Price.

Additionally, if the Retail Individual Applicants category is entitled to more than fifty per cent on proportionate basis, the Retail Individual Applicants shall be allocated that higher percentage. However, the Application by an Applicant should not exceed the investment limits prescribed under the relevant regulations/statutory guidelines.

Subject to the valid Applications being received at the Issue Price, allocation to all categories in the Net Issue, shall be made on a proportionate basis, except for the Retail Portion where Allotment to each Retail Individual Applicants shall not be less than the minimum 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, except in 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 in consultation with the LM and the Stock Exchange are required to submit their Applications to the Application Collecting Intermediaries i.e. SCSB or Registered Brokers of Stock Exchanges or Registrar to the Issue and Share Transfer Agents (RTAs) or Depository Participants (DPs) registered with SEBI. In case of QIB Applicants, the Company in consultation with the Lead Managers may reject Applications at the time of acceptance of Application Form provided that the reasons for such rejection shall be provided to such Applicant in writing.

In case of Non-Institutional Applicants and Retail Individual Applicants, the Company would have a right to reject the Applications only on technical grounds. In case DP ID, Client ID and PAN mentioned in the Application Form and entered into the electronic system of the stock exchange, do not match with the DP ID, Client ID and PAN available in the depository database, the application is liable to be rejected.

**Investors should note that Equity Shares will be allotted to successful Applicants in dematerialized form only. The Equity Shares on Allotment shall be traded only in the dematerialize segment of the Stock Exchange, as mandated by SEBI. The Application Forms which do not have the details of the Applicant's depository account including DP ID, PAN and Beneficiary Account Number/UPI ID (for RII Applicants using the UPI Mechanism), shall be treated as incomplete and rejected. In case DP ID, Client ID and PAN mentioned in the Application Form and entered into the electronic system of the stock exchanges, do not match with the DP ID, Client ID and PAN available in the depository database, the application is liable to be rejected. Applicants will not have the option of getting allotment of the Equity Shares in physical form.**



However, the Investors may get the Equity Shares rematerialized subsequent to the allotment.

### **Availability of Prospectus and Application Forms**

Copies of the Application Form and the Draft Prospectus / Prospectus will be available at the offices of the LM, the Designated Intermediaries at Bidding Centers, and Registered Office of our Company. An electronic copy of the Application Form will also be available for download on the websites of the Stock Exchange(s), the SCSBs, the Registered Brokers, the RTAs and the CDPs at least one (1) day prior to the Issue Opening Date.

Applicants shall only use the specified Application Form for the purpose of making an Application in terms of the Draft Prospectus / Prospectus. All the Applicants (other than Anchor Investor and Retail Individual Investor using UPI Payment Mechanism) shall mandatorily participate in the Issue only through the ASBA process for application. ASBA applicants must provide bank account details and authorization to block funds in the relevant space provided in the Application Form and the Application Forms that do not contain such details are liable to be rejected.

Retail Individual Investors submitting their application form to any Designated Intermediaries (other than SCSBs) shall be required to bid using the UPI Mechanism and must provide the UPI ID in the relevant space provided in the Application Form. Retail Individual Investors submitting their application form to any Designated Intermediaries (other than SCSBs) failed to mention UPI ID are liable to be rejected. Retail Individual Investors may also apply through the SCSBs and mobile applications using the UPI handles as provided on the website of the SEBI.

ASBA Applicants shall ensure that the applications are made on Application Forms bearing the stamp of the Designated Intermediary, submitted at the Collection Centres only (except in case of electronic Bid cum Application Forms) and the Bid cum Application Forms not bearing such specified stamp are liable to be rejected.

The prescribed colour of the Application Form for various categories is as follows:

<b>Category</b>	<b>Colour</b>
Resident Indians and Eligible NRIs applying on a non-repatriation basis (ASBA)	White*
Non-Residents and Eligible NRIs applying on a repatriation basis (ASBA)	Blue*

*\*Excluding electronic Application Form*

In case of ASBA Forms, Designated Intermediaries shall upload the relevant Application details in the electronic Bidding system of the Stock Exchanges. Subsequently, for ASBA Forms (other than RIIs using UPI mechanism) Designated Intermediaries (other than SCSBs) shall submit/deliver the Application Form (except the Application Form from a RIIs using the UPI mechanism) to the respective SCSBs, where the Applicant has a bank account and shall not submit it to any non-SCSB bank or any Escrow Bank. For RIIs using UPI mechanism, the Stock Exchanges shall share the Application details (including UPI ID) with the Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate UPI Mandate Request to RIIs for blocking of funds.

Application Forms will also be available on the website of the BSE ([www.bseindia.com](http://www.bseindia.com)). Same Application Form applies to all ASBA Applicants/ Retail Individual Investors applying through UPI mechanism, irrespective of whether they are submitted to the SCSBs, to the Registered Brokers, to Registrars to an Issue and Share Transfer Agents, Depository Participants or to the Syndicate (in Specified Cities).

### Submission and Acceptance of Application Form

Pursuant to SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 Dated November 10, 2015, an Investor, intending to subscribe to this Issue, shall submit a completed 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.	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).

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 application form, in physical or electronic mode, respectively.

Designated Intermediaries shall submit Application Forms to SCSBs only.

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(s) 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 without use of UPI for payment:	After accepting the application form, respective intermediary shall capture and upload the relevant details in the electronic bidding system of stock exchange(s). Post uploading, they shall forward a schedule as per prescribed format along with the 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 without use of UPI for payment:	After accepting the application form, respective intermediary shall capture and upload the relevant details, including UPI ID, in the electronic bidding system of stock exchange(s). Stock Exchange shall share bid details including the UPI ID with Sponsor Bank on a continuous basis, to enable Sponsor Bank to initiate mandate request on investors for blocking of funds. Sponsor Bank shall initiate request for blocking of funds through NPCI to investor. Investor to accept mandate request for blocking of funds, on his/her mobile application, associated with UPI ID linked bank account
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Stock exchange(s) shall validate the electronic bid details with depository's records for DP ID/ClientID 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.

Upon completion & submission of Application Form to Application Collecting intermediaries, the Application are deemed to have authorised our Company to make the necessary changes in the prospectus, without prior or subsequent notice of such changes to the Applicants.

### **Who can apply?**

In addition to the category of Applicants set forth under General Information Document, the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines, including:

1. FPIs other than Category III foreign portfolio investor;
2. Category III foreign portfolio investors, which are foreign corporates or foreign individuals only under the Non-Institutional Investors (NIIs) category;
3. Mutual Funds registered with SEBI;
4. VCFs registered with SEBI;
5. FVCIs registered with SEBI;
6. Multilateral and bilateral development financial institutions;
7. State Industrial Development Corporations;
8. Insurance companies registered with Insurance Regulatory and Development Authority;
9. Provident Funds with a minimum corpus of ₹ 250 million and who are authorised under their constitution to hold and invest in equity shares;
10. Pension Funds with a minimum corpus of ₹ 250 million and who are authorised under their constitution to hold and invest in equity shares;

11. National Investment Fund set up by resolution no. F.NO.2/3/2005-DDII dated November 23, 2005 of the GoI, published in the Gazette of India;
12. Insurance funds set up and managed by the army, navy or air force of the Union of India and by the Department of Posts, India;
13. Nominated Investor and Market Maker.
14. Scientific and/or industrial research organisations authorised in India to invest in the Equity Shares.
15. 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 under guardianship)
2. Partnership firms or their nominees
3. Foreign Nationals (except NRI)
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 Application Form, the OCB shall be eligible to be considered for share allocation.**

The Equity Shares have not been and will not be registered under the U.S Securities Act or any other applicable law of the United States and, unless so registered, and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S Securities Act and applicable state securities laws. Accordingly, the Equity Shares are only being offered and sold (i) within the United States only to persons reasonably believed to be “qualified institutional buyers” (as defined in Rule 144A under the U.S Securities Act and referred to in this Draft Prospectus as “U.S. QIBs”, for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this Draft Prospectus as “QIBs”) in transactions exempt from, or not subject to, the registration requirements of the U.S Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulations S under the U.S Securities Act and the applicable laws of the jurisdiction 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.

***For Retails Individual Applicants***

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 Applicant does not exceed ₹2,00,000. In case of revision of Applications, the Retail Individual Investors have to ensure that the Application Price does not exceed ₹2,00,000.

***For Other than Retail Individual Investors (Non-Institutional Investors 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 Applicant and Non-Institutional Investor cannot withdraw its Application after the Issue Closing Date and is required to pay 100% Bid Amount upon submission of Bid.

In case of revision in Applications, the Non-Institutional Applicants, 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.

**Applicants 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 Prospectus.**

**Participation by associates/affiliates of Lead Managers**

The Lead Managers shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations. However, associates and affiliates of the Lead Managers may subscribe to Equity Shares in the Issue, either in the QIB Portion and Non-Institutional Category where the allotment is on a proportionate basis and such subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of the LM, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

**Option to Subscribe to the Issue**

1. Our Company shall allot the specified securities in dematerialised form only. Investors opting for allotment in dematerialised form may get the specified securities rematerialised subsequent to allotment.
2. The equity shares, on allotment, shall be traded on stock exchange in demat segment only.

3. A single application from any investor shall not exceed the investment limit/minimum number of specified securities that can be held by him/her/it under the relevant regulations/statutory guidelines.

### **Application By HUF**

Hindu Undivided Families or HUFs, in the individual name of the Karta. The Applicant 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/Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta”. Bids/Applications by HUFs may be considered at par with Bids/Applications from individuals.

### **Application by Mutual Funds**

As per the current regulations, the following restrictions are applicable for investments by mutual funds:

Application made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Applications are made. In case of a mutual fund, a separate Application can be made in respect of each scheme of the mutual fund registered with SEBI and such Applications in respect of more than one (1) scheme of the mutual fund will not be treated as multiple Applications, provided, that the Applications clearly indicate the scheme concerned for which the Application has been made.

With respect to Applications by Mutual Funds, a certified copy of their SEBI registration certificate must be attached with the Application Form. Failing this, our Company reserves the right to reject their Application in whole or in part, in either case, without assigning any reason thereof.

No mutual fund scheme shall invest more than 10% of its net asset value in the equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any company’s paid-up share capital carrying voting rights.

### **Application by Indian Public including eligible NRIs applying on Non-Repatriation**

Application must be made only in the names of individuals, Limited Companies or Statutory Corporations/institutions and not in the names of Minors (other than minor having valid depository accounts as per demographic details provided by the depository), Foreign Nationals, Non Residents (except for those applying on non-repatriation), trusts (unless the trust is registered under the Societies Registration Act, 1860 or any other applicable trust laws and is authorized under its constitution to hold shares and debentures in a Company), Hindu Undivided Families (HUF), partnership firms or their nominees. In case of HUFs, application shall be made by the Karta of the HUF.

Eligible NRIs applying on a non-repatriation basis may make payments by inward remittance in foreign exchange through normal banking channels or by debits to NRE / FCNR accounts as well as NRO accounts.



An applicant in the Net Public Category cannot make an application for that number of Equity Shares exceeding the number of Equity Shares offered to the public.

### **Application by Eligible NRIs/FII's on Repatriation Basis**

Eligible NRIs may obtain copies of Application Form from the Designated Intermediaries. Eligible NRI Applicants applying on a repatriation basis by using the Non-Resident Forms should authorize their SCSB to block their Non-Resident External (“**NRE**”) accounts, or Foreign Currency Non-Resident (“**FCNR**”) ASBA Accounts, and eligible NRI Applicants applying on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non-Resident Ordinary (“**NRO**”) accounts for the full Application Amount, at the time of the submission of the Application Form. NRIs applying in the Issue through the UPI Mechanism are advised to enquire with the relevant bank whether their bank account is UPI linked prior to making such Application.

Eligible NRIs applying on a repatriation basis are advised to use the Application Form meant for Non-Residents (blue in colour).

Eligible NRIs applying on non-repatriation basis are advised to use the Application Form for residents (white in colour).

Pursuant to the provisions of the FEMA regulations, investments by NRIs under the Portfolio Investment Scheme (“**PIS**”) is subject to certain limits, i.e., 10.00% of the paid-up equity share capital of the company. Such limit for NRI investment under the PIS route can be increased by passing a board resolution, followed by a special resolution by the shareholders, subject to prior intimation to the RBI. Our Company has not passed any resolution to increase this limit and hence investments by NRIs under the PIS will be subject to a limit of 10% of the paid-up equity capital of the Company.

### **Application by FPIs**

In terms of the FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) is not permitted to exceed 10% of our post- Issue Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. The aggregate limit of 24% may be increased upto the sectoral cap by way of a resolution passed by our Board followed by a special resolution passed by the shareholders of our Company and subject to prior intimation to the RBI.

In case the total holding of an FPI increases beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants issued that may be issued by our Company, the total investment made by the FPI will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements.

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 22 of the FPI Regulations, an FPI, by virtue of their investment managers being appropriately regulated, may issue or otherwise deal in offshore derivative instruments (as defined under the FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it that are listed or proposed to be listed on any recognized stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms. An FPI is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority. In case of Applications made by FPIs, a verified true copy of the certificate of registration issued by the designated Depository Participant under the FPI Regulations is required to be attached along with the Application form, failing which our Company reserves the right to reject the Application without assigning any reasons thereof.

#### **Application by SEBI registered VCFs, AIFs and FVCIs**

SEBI VCF Regulations and SEBI FVCI Regulations inter alia prescribe the investment restrictions on the VCFs and FVCIs registered with SEBI. Further, SEBI AIF Regulations prescribe, among others, the investment restrictions on AIFs.

Accordingly, the holding by any individual VCF registered with SEBI in one (1) venture capital undertaking should not exceed 25% of the corpus of the VCF. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds, in the aggregate, in certain specified instruments, which includes subscription to an initial public offering.

Category I and II AIFs cannot invest more than 25% of their corpus in one (1) investee company. A category III AIF cannot invest more than 10% of their investible funds in one (1) investee company. A venture capital fund registered as a category I AIF, as defined in SEBI AIF Regulations, cannot invest more than 1/3rd of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under SEBI AIF Regulations shall continue to be regulated by SEBI VCF Regulations 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 SEBI AIF Regulations.

Further, according to SEBI ICDR Regulations, the shareholding of VCFs and category I AIFs or FVCI held in a company prior to making an initial public offering would be exempt from lock-in requirements provided that such equity shares held are locked in for a period of at least one (1) year from the date of purchase by such VCF or category I AIFs or FVCI.

All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

Our Company or the LM will not be responsible for loss, if any, incurred by the Applicant on account of conversion of foreign currency. There is no reservation for Eligible NRIs, FPIs and FVCIs and all Applicants will be treated on the same basis with other categories for the purpose of allocation.

#### **Application by provident funds/ pension funds**

In case of Applications made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹2,500 Lakhs, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the Application Form. Failing this, our Company reserves the right to reject their Application, without assigning any reason thereof

#### **Application by limited liability partnerships**

In case of Applications 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 Application Form. Failing this, our Company reserves the right to reject their Application without assigning any reason thereof.

#### **Application by Banking Companies**

In case of Application made by banking companies registered with the RBI, certified copies of: (i) the certificate of registration issued by the RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Application Form, failing which our Company reserves the right to reject any Application by a banking company, without assigning any reason therefor.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended (the "Banking Regulation Act"), and the Master Direction – Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, is 10% of the paid-up share capital of the investee company or 10% of the banks' own paid-up share capital and reserves, whichever is less. Further, the aggregate investment by a banking company in subsidiaries and other entities engaged in financial and non-financial services company cannot exceed 20% of the bank's paid-up share capital and reserves. A banking company may hold up to 30% of the paid-up share capital of the investee company with the prior approval of the RBI provided that the investee company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act.

#### **Application by Insurance Companies**

In case of Application made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Application Form. Failing this, our Company reserves the right to reject their Application without assigning any reason thereof.



Insurance companies participating in this Issue, shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time including the Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016 (“IRDA Investment Regulations”).

- i. Equity shares of a company: the lower of 10% of the investee company’s outstanding equity shares (face value) or 10% of the respective fund in case of a life insurer/investment assets in case of a general insurer or a reinsurer;
- ii. 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 a reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and
- iii. The industry sector in which the investee company operates: not more than 15% of the respective fund of a life insurer or general insurance or 15% of the investment assets, 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 points (i), (ii) or (iii) 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 ₹2,500,000 million or more and 12% of outstanding equity shares (face value) for insurers with investment assets of ₹500,000 million or more but less than ₹2,500,000 million.

Insurer companies participating in this Issue shall comply with all applicable regulations, guidelines and circulars issued by the IRDA from time to time including the Insurance Regulatory and Development Authority (Investment) Regulations, 2016 (“IRDA Investment Regulations”).

### **Application by SCSBs**

SCSBs participating in the Issue are required to comply with the terms of SEBI circulars 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 ASBA applications.

### **Application by Systemically Important Non-Banking Financial Companies**

In case of Application made by systemically important non-banking financial companies, a certified copy of the certificate of registration issued by the RBI, a certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor(s), must be attached to the Application Form. Failing this, our Company reserves the right to reject any Application, without assigning any reason thereof. Systemically important non-banking financial companies participating in the Issue shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

### **Application under Power of Attorney**

In case of Application made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, FIIs, FPIs, Mutual Funds, Eligible QFIs, 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, provident funds with a minimum corpus of ₹ 2,500 Lakhs and pension funds with a minimum corpus of ₹ 2,500 Lakhs (in each case, subject to applicable law and in accordance with their respective constitutional documents), 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, as applicable must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject their Application in whole or in part, in either case, without assigning any reasons thereof. In addition to the above, certain additional documents are required to be submitted by the following entities:

- With respect to Applications by FIIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Application Form.
- With respect to Applications by insurance companies registered with the Insurance Regulatory and Development Authority, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged along with the Application Form.
- With respect to Applications made by provident funds with a minimum corpus of ₹ 2500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of ₹ 2500 Lakhs, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Application Form.
- With respect to Applications 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 Application Form.
- Our Company in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Application form, subject to such terms and conditions that our Company and the Lead Managers may deem fit.

The Company, in its absolute discretion, reserves the right to permit the holder of the power of attorney to request the Registrar to the Issue that, for the purpose of printing particulars on the refund order and mailing of the Allotment Advice / CANs / letters notifying the unblocking of the bank accounts of ASBA applicants, the Demographic Details given on the Application Form should be used (and not those obtained from the Depository of the application). In such cases, the Registrar to the Issue shall use Demographic Details as given on the Application Form instead of those obtained from the Depositories

### **Application by OCBs**

In accordance with RBI regulations, OCBs cannot participate in this Issue.



## **ISSUE PROCEDURE FOR ASBA (APPLICATION SUPPORTED BY BLOCKED ACCOUNT) APPLICANTS**

In accordance with the SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants have to compulsorily apply through the ASBA Process. Our Company and the Lead Managers are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of the Draft Prospectus. ASBA Applicants are advised to make their independent investigations and to ensure that the ASBA Application Form is correctly filled up, as described in this section.

Lists of banks that have been notified by SEBI to act as SCSB (Self-Certified Syndicate Banks) for the ASBA Process are provided on <http://www.sebi.gov.in>. For details on designated branches of SCSB collecting the Application Form, please refer the above-mentioned SEBI link.

### **ASBA Process and Electronic Registration of Application**

Resident Retail Individual Investor shall submit his Application through an Application Form, either in physical or electronic mode, to the SCSB with whom the bank account of the ASBA Applicant or bank account utilized by the ASBA Applicant (“ASBA Account”) is maintained. The SCSB shall block an amount equal to the Application Amount in the bank account specified in the ASBA Application Form, physical or electronic, on the basis of an authorization to this effect given by the account holder at the time of submitting the Application.

The Application Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount against the allocated shares to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the ASBA Application, as the case may be.

The ASBA data shall thereafter be uploaded by the SCSB in the electronic IPO system of the Stock Exchange. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant bank accounts and for transferring the amount allocable to the successful ASBA Applicants to the ASBA Public Issue Account. In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Lead Managers.

ASBA Applicants are required to submit their Applications, either in physical or electronic mode. In case of application in physical mode, the ASBA Applicant shall submit the ASBA Application Form at the Designated Branch of the SCSB or Registered Brokers or Registered RTA's or DPs registered with SEBI. In case of application in electronic form, the ASBA Applicant shall submit the Application Form either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for applying and blocking funds in the ASBA account held with SCSB, and accordingly registering such Applications.



**APPLICATION FORM SHALL BEAR THE STAMP OF THE SYNDICATE MEMBER/SCSBS/REGISTRAR AND SHARE TRANSFER AGENTS/DEPOSITORY PARTICIPANTS/STOCK BROKERS AND IF NOT, THE SAME SHALL BE REJECTED.**

### **Who can apply?**

In accordance with the SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants have to compulsorily apply through the ASBA Process.

### **Mode of Payment**

Upon submission of an Application Form with the SCSB, whether in physical or electronic mode, each ASBA Applicant shall be deemed to have agreed to block the entire Application Amount and authorized the Designated Branch of the SCSB to block the Application Amount, in the bank account maintained with the SCSB.

Application Amount paid in cash, by money order or by postal order or by stock invest, or ASBA Application Form accompanied by cash, draft, money order, postal order or any mode of payment other than blocked amounts in the SCSB bank accounts, shall not be accepted.

After verifying that sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Application Amount mentioned in the ASBA Application Form till the Designated Date.

On the Designated Date, the SCSBs shall transfer the amounts allocable to the ASBA Applicants from the respective ASBA Account, in terms of the SEBI Regulations, into the ASBA Public Issue Account. The balance amount, if any against the said Application in the ASBA Accounts shall then be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the Issue.

The entire Application Amount, as per the Application Form submitted by the respective ASBA Applicants, would be required to be blocked in the respective ASBA Accounts until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount against allocated shares to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until rejection of the ASBA Application, as the case may be.

### **Unblocking of ASBA Account**

On the basis of instructions from the Registrar to the Issue, the SCSBs shall transfer the requisite amount against each successful ASBA Applicant to the ASBA Public Issue Account as per section 40(3) of the Companies Act, 2013 and shall unblock excess amount, if any in the ASBA Account.

However, the Application Amount may be unblocked in the ASBA Account prior to receipt of intimation from the Registrar to the Issue by the Controlling Branch of the SCSB regarding finalization of the Basis of Allotment in the Issue, in the event of withdrawal/failure of the Issue or rejection of the ASBA Application, as the case may be.

### **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 Applicants. 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 Applicants 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 Applicants.

### **Payment Mechanism**

The Applicants shall specify the bank account number in their Application Form and the SCSBs shall block an amount equivalent to the bid Amount (issue price) in the bank account specified in the Application Form. The SCSB shall keep the bid Amount in the relevant bank account blocked until withdrawal/ rejection of the Application or receipt of instructions from the Registrar to unblock the bid Amount. However, Non-Retail Investors shall neither withdraw nor lower the size of their applications at any stage. In the event of withdrawal or rejection of the Application Form or for unsuccessful 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 Bid Amount shall remain blocked in the ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Bid Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the Bid by the ASBA Bidder, as the case may be.

### **PROCEDURE FOR UNIFIED PAYMENT INTERFACE (UPI)**

**In accordance to the SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, to stream line the process of public issue of Equity Shares and convertibles, Phase II shall become effective from July 01, 2019, thereafter for applications by Retail Individual Investors through intermediaries, where the existing process of investor submitting application form with any intermediaries along with bank account details and movement of such application forms from intermediaries to self-certified Syndicate Banks (SCSBs) for blocking of funds, will be discontinued. For such applications only the UPI mechanism would be permissible mode.**

#### **Who can apply through UPI Mode:**

Only Retail Individual Investors are allowed to use UPI for the payment in public issues. Qualified Institutional Buyers and High-Net worth Investors shall continue to apply as per the existing process.

#### **Process**

Applications through UPI in IPOs (Public Issue) can be made only through the SCSBs/mobile applications whose name appears on the SEBI website: [www.sebi.gov.in](http://www.sebi.gov.in).

### **Blocking of Funds:**

- a) Investors shall create UPI ID
- b) Investors shall submit their IPO applications through intermediaries and the investors shall enter UPI ID in the application form
- c) Thereafter, intermediary shall upload the bid details and UPI ID in the electronic bidding system of the Stock Exchange
- d) Stock Exchange shall validate the bid details on the real time basis with depository's records and shall bring the inconsistencies to the notice of intermediaries for rectification and re-submission
- e) Stock Exchange shall share the details including UPI ID with Sponsor Bank, to enable the Sponsor Bank to initiate the request for the blocking of funds
- f) Thereafter the investor shall receive notification and shall confirm the request by entering valid UPI PIN and upon such acceptance of request, funds would get blocked and intimation shall be given to the investor regarding blocking of funds

### **Unblocking of Funds:**

- a) After the issue close day, the RTA on the basis of bidding and blocking received from stock exchange undertake a reconciliation and shall prepare Basis of Allotment.
- b) Upon approval of such basis, instructions would be sent to the Sponsor Bank to initiate process for credit of funds in the public issue escrow account and unblocking of excess funds
- c) Based on authorization given by the investor using UPI PIN at the time of blocking of funds, equivalent to the allotment, would be debited from investors account and excess funds, if any, would be unblocked.

**Further, RIIs would continue to have an option to modify or withdraw the bid till the closure of the issue period. For each such modification of application, RIIs shall submit a revised application and shall receive a mandate request from the Sponsor Bank to be validated as per the process indicated above. Hence, applications made through UPI ID for payment the same shall be revised by using UPI ID only.**

### **REJECTION GROUNDS UNDER UPI PAYMENT MECHANISM**

An investor making application using any of channels under UPI Payments Mechanism, shall use only his/ her own bank account or only his/ her own bank account linked UPI ID to make an application in public issues. Applications made using third party bank account or using third party linked bank account UPI ID are liable for rejection. Sponsor Bank shall provide the

investors UPI linked bank account details to RTA for purpose of reconciliation. RTA shall undertake technical rejection of all applications to reject applications made using third party bank account.

### **LIST OF BANKS PROVIDING UPI FACILITY**

An investor shall ensure that when applying in the IPO using UPI facility, the name of his Bank shall appear in the list of SCSBs as displayed on the SEBI website.

A list of SCSBs and mobile application which are live for applying in public issues using UPI mechanism is provided on the SEBI Website at the following path:

Home >> Intermediaries/Market Infrastructure Institutions >> Recognised Intermediaries >> Self Certified Syndicate Banks eligible as Issuer Banks for UPI.

Investors whose Bank is not live on UPI as on the date of the aforesaid circular, may use the other alternate channels available to them viz. submission of application form with SCSBs or using the facility of linked online trading, demat and bank account (Channel I or II at para 5.1 SEBI circular bearing no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018).

### **ELECTRONIC REGISTRATION OF APPLICATIONS**

1. The Designated Intermediary will register the Applications using the on-line facilities of the Stock Exchanges. There will be at least one on-line connectivity facility in each city, where a stock exchange is located in India and where Applications are being accepted. The Lead Managers, our Company and the Registrar are not responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Applications accepted by the Designated Intermediary, (ii) the Applications uploaded by the Designated Intermediary, (iii) the Applications accepted but not uploaded by the Designated Intermediary or (iv) Applications accepted and uploaded without blocking funds.
2. The Designated Intermediary shall be responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Applications accepted by the Designated Intermediary, (ii) the Applications uploaded by the Designated Intermediary, (iii) the Applications accepted but not uploaded by the Designated Intermediary and
 

(iv) Applications accepted and uploaded without blocking funds. It shall be presumed that for Applications uploaded by the Designated Intermediary, the full Application Amount has been blocked.
3. In case of apparent data entry error either by the Designated Intermediary in entering the Application Form number in their respective schedules other things remaining unchanged, the Application Form may be considered as valid and such exceptions may be recorded in minutes of the meeting submitted to Stock Exchange.

4. The Designated Intermediary will undertake modification of selected fields in the Application details already uploaded within before 1.00 p.m. of the next Working Day from the Issue Closing Date.
5. The Stock Exchanges will offer an electronic facility for registering Applications for the Issue. This facility will be available with the Designated Intermediary and their authorized agents during the Issue Period. The Designated Branches or the Agents of the Designated Intermediary 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 on-line facilities on a regular basis. On the Issue Closing Date, the Designated Intermediary shall upload the Applications till such time as may be permitted by the Stock Exchanges. This information will be available with the Lead Managers on a regular basis. Applicants are cautioned that a high inflow of high volumes on the last day of the Issue Period may lead to some Applications received on the last day not being uploaded and such Applications will not be considered for allocation.
6. With respect to applications by Applicants, at the time of registering such applications, the Syndicate Bakers, DPs and RTAs shall forward a Schedule as per format given below along with the Application Forms to Designated Branches of the SCSBs for blocking of funds:

Sr. 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*

7. At the time of registering each Application submitted by an Applicant, Designated Intermediary shall enter the following details of the investor in the on-line system, as applicable:
  1. Name of the Applicant;
  2. IPO Name;
  3. Application Form number;
  4. Investor Category;
  5. PAN (of First Applicant, if more than one Applicant);
  6. DP ID of the demat account of the Applicant;
  7. Client Identification Number of the demat account of the Applicant;
  8. UPI ID (RIIs applying through UPI Mechanism)
  9. Numbers of Equity Shares Applied for;



10. Location 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
11. Bank account number
12. In case of submission of the Application by an Applicant through the Electronic Mode, the Applicant shall complete the above-mentioned details and mention the bank account number, except the Electronic Application Form number which shall be system generated.
13. The Designated 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 application form, in physical or electronic mode, respectively. The registration of the Application by the Designated Intermediary does not guarantee that the Equity Shares shall be allocated / allotted either by our Company.
14. Such acknowledgement will be non-negotiable and by itself will not create any obligation of any kind.
15. In case of QIB Applicants, the Lead Managers has the right to accept the Application or reject it. However, the rejection should be made at the time of receiving the Application and only after assigning a reason for such rejection in writing. In case on Non-Institutional Applicants and Retail Individual Applicants, Applications would be rejected on the technical grounds.
16. 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 Lead Managers 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 Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.
17. Only Applications that are uploaded on the online IPO system of the Stock Exchanges shall be considered for allocation/Allotment. The Designated Intermediary will be given time till 1.00 p.m. on the next working day after the Issue Closing Date to verify the PAN, DP ID and Client ID uploaded in the online IPO system during the Issue Period, after which the Registrar will receive this data from the Stock Exchanges 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.

## **WITHDRAWAL OF APPLICATIONS**

RIIs can withdraw their applications until Issue Closing Date. In case a RII wishes to withdraw the applications during the 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 or Sponsor Bank in the ASBA Account.





The Registrar to the Issue shall give instruction to SCSB for unblocking ASBA Account on the Designated Date. QIBs and NIIs can neither withdraw nor lower the size of their Bids at any stage.

## **SIGNING OF UNDERWRITING AGREEMENT**

The issue is 100% Underwritten. For further details please refer to Section titled “General Information” on page 65 of this Draft Prospectus.

## **FILING OF THE PROSPECTUS**

For filing details, please refer Chapter titled “General Information” beginning on page 65 of this Draft Prospectus.

## **PRE-ISSUE ADVERTISEMENT**

Subject to Section 30 of the Companies Act, 2013, the Company shall, after filing the Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in one widely circulated English language national daily newspaper; one widely circulated Hindi language national daily newspaper and one regional newspaper with wide circulation where registered office of the Company is situated.

## **PRICE DISCOVERY AND ALLOCATION OF EQUITY SHARES**

- a) The Issue is being made through the Fixed Price Process where in up to Equity Shares shall be reserved for Market Maker. Equity shares will be allocated on a proportionate basis to Retail Individual Applicants, subject to valid Application being received from Retail Individual Applicants at the Issue Price. The balance of the Net Issue will be available for allocation on proportionate basis to Non-Retail Applicants.
- b) Under- subscription if any, in any category, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company in consultation with the Book Running Lead Managers and the Stock Exchange.
- c) Allocation to Non-Residents, including Eligible NRIs, Eligible QFIs, FIIs and FVCIs registered with SEBI, applying on repatriation basis will be subject to applicable law, rules, regulations, guidelines and approvals.
- d) In terms of SEBI Regulations, Non-Retail Investors shall not be allowed to either withdraw or lower the size of their applications at any stage.
- e) Allotment status details shall be available on the website of the Registrar to the Issue.

## **ISSUANCE OF ALLOTMENT ADVICE**

Upon approval of the Basis of Allotment by the Designated stock exchange, the Registrar shall upload on its website. On the basis of approved basis of allotment, the Issuer shall pass necessary corporate action to facilitate the allotment and credit of equity shares.



Applicants are advised to instruct their Depository Participants to accept the Equity Shares that may be allotted to them pursuant to the issue. Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Applicants who have been allotted Equity Shares in the Issue.

1. The dispatch of allotment advice shall be deemed a valid, binding and irrevocable contract.
2. Issuer will ensure that: (i) the allotment of the equity shares; and (ii) initiate corporate action for credit of shares to the successful applicant's Depository Account within 4 working days of the Issue Closing date. The Issuer also ensures the credit of shares to the successful Applicants 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.
3. 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 Issue Closing Date. The Company will intimate the details of allotment of securities to Depository immediately on allotment of securities under Section 56 of the Companies Act, 2013 or other applicable provisions, if any.

#### **ISSUANCE OF CONFIRMATION ALLOCATION NOTE ("CAN")**

- a) A physical book is prepared by the Registrar on the basis of the Application Forms received from Investors. Based on the physical book and at the discretion of the Company in consultation with the LM, selected Investors will be sent a CAN and if required, a revised CAN.
- b) In the event that the Issue Price is higher than the Investor Allocation Price: Investors will be sent a revised CAN within 1 (one) day of the Pricing Date indicating the number of Equity Shares allocated to such Investor and the pay-in date for payment of the balance amount. Investors are then required to pay any additional amounts, being the difference between the Issue Price and the Investor Allocation Price, as indicated in the revised CAN within the pay-in date referred to in the revised CAN. Thereafter, the Allotment Advice will be issued to such Investors.
- c) In the event the Issue Price is lower than the Investor Allocation Price: Investors who have been Allotted Equity Shares will directly receive Allotment Advice.

#### **DESIGNATED DATE**

On the Designated date, the SCSBs shall transfers the funds represented by allocations of the Equity Shares into Public Issue Account with the Bankers to the Issue.

#### **GENERAL INSTRUCTIONS**

Applicants are requested to note the additional instructions provided below.

##### **Do's:**

1. Check if you are eligible to apply as per the terms of the Prospectus and under applicable law, rules, regulations, guidelines and approvals;

2. Read all the instructions carefully and complete the Application Form;
3. Ensure that the details about the PAN, UPI ID (if applicable), DP ID and Client ID are correct and the Applicants depository account is active, as Allotment of the Equity Shares will be in the dematerialised form only;
4. Ensure that your Application Form, bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Collection Centre within the prescribed time, except in case of electronic forms. Retail Individual Investors using UPI mechanism, may submit their ASBA forms with Designated Intermediary and ensure that it contains the stamp of such Designated Intermediary;
5. Ensure that the signature of the First Applicant in case of joint Applications, is included in the Application Forms;
6. If the first applicant is not the ASBA account holder (or the UPI- linked bank account holder as the case may be), ensure that the Application Form is signed by the ASBA account holder (or the UPI- linked bank account holder as the case may be). Ensure that you have mentioned the correct bank account number and UPI ID in the Application Form;
7. All Applicants (other than Anchor Investors and RII using UPI Mechanism) should apply through the ASBA process only. RII not using UPI mechanism, should submit their application form directly with SCSB's and not with any designated intermediary.
8. With respect to Applications by SCSBs, ensure that you have a separate account in your own name with any other SCSB having clear demarcated funds for applying under the ASBA process and that such separate account (with any other SCSB) is used as the ASBA Account with respect to your Application;
9. Ensure that you request for and receive a stamped acknowledgement of your Application;
10. Ensure that you have funds equal to the Application Amount in the ASBA Account maintained with the SCSB before submitting the ASBA Form to any of the Designated Intermediaries;
11. Instruct your respective banks to not release the funds blocked in the ASBA Account under the ASBA process. Retail Individual Investors using the UPI Mechanism, should ensure that they approve the UPI Mandate Request generated by the Sponsor Bank to authorise blocking of funds equivalent to application amount and subsequent debit of funds in case of allotment, in a timely manner
12. Submit revised Applications to the same Designated Intermediary, as applicable, through whom the original Application was placed and obtain a revised TRS;
13. Except for Applications (i) on behalf of the central or state governments and the officials appointed by the courts, who, in terms of SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market and

(ii) Applications by persons resident in the state of Sikkim, who, in terms of SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Applicants 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 Applicants 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.

14. Ensure that the Demographic Details are updated, true and correct in all respects;
15. 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;
16. Ensure that the name(s) given in the 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 application, the Application Form should contain only the name of the First Applicant whose name should also appear as the first holder of the beneficiary account held in joint names;
17. Ensure that the category and sub-category under which the Application is being submitted is clearly specified in the Application Form;
18. Ensure that in case of Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents are submitted;
19. If you are resident outside India, ensure that Applications by you are in compliance with applicable foreign and Indian laws;
20. Since the allotment will be in dematerialised form only, Applicants should note that in case the DP ID, the Client ID, UPI ID (where applicable) and the PAN mentioned in the Application Form and entered into the online IPO system of the Stock Exchange by the relevant Designated Intermediary, match with the DP ID, Client ID (where applicable) and PAN available in the Depository database otherwise liable to be rejected;

Where the Application Form is submitted in joint names, ensure that the beneficiary account is also held in the same joint names and such names are in the same sequence in which they appear in the Application Form;

21. Ensure that the Application Forms are delivered by the Applicants within the time prescribed as per the Application Form and the Prospectus;
22. Ensure that you have correctly signed the authorization /undertaking box in the Application Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application



Amount mentioned in the Application Form at the time of submission of the Application;

23. Ensure that you have mentioned the correct ASBA Account number (for all Bidders other than Retail Individual Investors Bidding using the UPI Mechanism) in the Bid cum Application Form and such ASBA account belongs to you and no one else. Further, Retail Individual Investors using the UPI Mechanism must also mention their UPI ID and shall use only his/her own bank account which is linked to his/her UPI ID;
24. Retail Individual Investors Bidding using the UPI Mechanism shall ensure that the bank, with which they have their bank account, where the funds equivalent to the application amount are available for blocking is UPI 2.0 certified by NPCI before submitting the ASBA Form to any of the Designated Intermediaries;
25. Retail Individual Investors Bidding using the UPI Mechanism through the SCSBs and mobile applications shall ensure that the name of the bank appears in the list of SCSBs which are live on UPI, as displayed on the SEBI website. Retail Individual Investors shall ensure that the name of the app and the UPI handle which is used for making the application appears on the list displayed on the SEBI website. An application made using incorrect UPI handle or using a bank account of an SCSB or bank which is not mentioned on the SEBI website is liable to be rejected;

#### **Don'ts:**

1. Do not apply for lower than the minimum Application size;
2. Do not apply at a Price different from the Price mentioned herein or in the Application Form;
3. Do not pay the Application Amount in cash, cheque, by money order or by postal order or by stock invest or any mode other than stated herein;
4. Do not send Application / ASBA Forms by post, instead submit the same to the Designated Intermediary only;
5. Do not submit the Application Forms with the Banker(s) to the Issue (assuming that such bank is not a SCSB), our Company, the LM or the Registrar to the Issue (assuming that the Registrar to the Issue is not one of the RTAs) or any non-SCSB bank;
6. Do not apply on an Application Form that does not have the stamp of the Designated Intermediary;
7. If you are a Retail Individual Applicant, do not apply for an exceeding ₹ 200,000;
8. Do not fill up the Application Form such that the Equity Shares applied for exceeds the Issue size and/or investment limit or maximum number of the Equity Shares that can be held under the ASBA process and that such separate account (with any other SCSB) is used as the ASBA Account with respect to your Application;

9. Ensure that you request for and receive a stamped acknowledgement of your Application;
10. Ensure that you have funds equal to the Application Amount in the ASBA Account maintained with the SCSB before submitting the ASBA Form to any of the Designated Intermediaries;
11. Instruct your respective banks to not release the funds blocked in the ASBA Account under the ASBA process. Retail Individual Investors using the UPI Mechanism, should ensure that they approve the UPI Mandate Request generated by the Sponsor Bank to authorise blocking of funds equivalent to application amount and subsequent debit of funds in case of allotment, in a timely manner.
12. Submit revised Applications to the same Designated Intermediary, as applicable, through whom the original Application was placed and obtain a revised TRS;
13. Except for Applications (i) on behalf of the central or state governments and the officials appointed by the courts, who, in terms of SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market and (ii) Applications by persons resident in the state of Sikkim, who, in terms of SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Applicants 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 Applicants 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.
14. Ensure that the Demographic Details are updated, true and correct in all respects;
15. 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;
16. Ensure that the name(s) given in the 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 application, the Application Form should contain only the name of the First Applicant whose name should also appear as the first holder of the beneficiary account held in joint names;
17. Ensure that the category and sub-category under which the Application is being submitted is clearly specified in the Application Form;
18. Ensure that in case of Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents are submitted;



19. If you are resident outside India, ensure that Applications by you are in compliance with applicable foreign and Indian laws;
20. Since the allotment will be in dematerialised form only, Applicants should note that in case the DP ID, the Client ID, UPI ID (where applicable) and the PAN mentioned in the Application Form and entered into the online IPO system of the Stock Exchange by the relevant Designated Intermediary, match with the DP ID, Client ID (where applicable) and PAN available in the Depository database otherwise liable to be rejected; Where the Application Form is submitted in joint names, ensure that the beneficiary account is also held in the same joint names and such names are in the same sequence in which they appear in the Application Form;
21. Ensure that the Application Forms are delivered by the Applicants within the time prescribed as per the Application Form and the Prospectus;
22. Ensure that you have correctly signed the authorization /undertaking box in the Application Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Amount mentioned in the Application Form at the time of submission of the Application;
23. Ensure that you have mentioned the correct ASBA Account number (for all Bidders other than Retail Individual Investors Bidding using the UPI Mechanism) in the Bid cum Application Form and such ASBA account belongs to you and no one else. Further, Retail Individual Investors using the UPI Mechanism must also mention their UPI ID and shall use only his/her own bank account which is linked to his/her UPI ID;
24. Retail Individual Investors Bidding using the UPI Mechanism shall ensure that the bank, with which they have their bank account, where the funds equivalent to the application amount are available for blocking is UPI 2.0 certified by NPCI before submitting the ASBA Form to any of the Designated Intermediaries;
25. Retail Individual Investors Bidding using the UPI Mechanism through the SCSBs and mobile applications shall ensure that the name of the bank appears in the list of SCSBs which are live on UPI, as displayed on the SEBI website. Retail Individual Investors shall ensure that the name of the app and the UPI handle which is used for making the application appears on the list displayed on the SEBI website. An application made using incorrect UPI handle or using a bank account of an SCSB or bank which is not mentioned on the SEBI website is liable to be rejected;

**Don'ts:**

1. Do not apply for lower than the minimum Application size;
2. Do not apply at a Price different from the Price mentioned herein or in the Application Form;



3. Do not pay the Application Amount in cash, cheque, by money order or by postal order or by stock invest or any mode other than stated herein;
4. Do not send Application / ASBA Forms by post, instead submit the same to the Designated Intermediary only;
5. Do not submit the Application Forms with the Banker(s) to the Issue (assuming that such bank is not a SCSB), our Company, the LM or the Registrar to the Issue (assuming that the Registrar to the Issue is not one of the RTAs) or any non-SCSB bank;
6. Do not apply on an Application Form that does not have the stamp of the Designated Intermediary;
7. If you are a Retail Individual Applicant, do not apply for an exceeding ₹ 200,000;
8. Do not fill up the Application Form such that the Equity Shares applied 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 the applicable regulations or under the terms of the Prospectus;
9. Do not submit the General Index Register number instead of the PAN;
10. As an ASBA Applicant, do not submit the Application without ensuring that funds equivalent to the entire Application Amount are available to be blocked in the relevant ASBA Account and as in the case of Retail Individual Investors using the UPI Mechanism shall ensure that funds equivalent to the entire application amount are available in the UPI linked bank account where funds for making the bids are available.
11. As an ASBA Applicant, do not instruct your respective banks to release the funds blocked in the ASBA Account;
12. Do not submit incorrect details of the DP ID, Client ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;
13. Do not submit Applications on plain paper or on incomplete or illegible Application Forms or on Application Forms in a colour prescribed for another category of Applicant;
14. If you are a QIB, do not submit your Application after 3.00 pm on the Issue Closing Date for QIBs;
15. If you are a Non-Institutional Applicant or Retail Individual Applicant, do not submit your Application after 3.00 pm on the Issue Closing Date;
16. Do not submit an Application in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;

17. Do not submit an Application 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 Depositories);
18. If you are a QIB or a Non-Institutional Applicant, do not withdraw your Application or lower the size of your Application (in terms of quantity of the Equity Shares or the Application Amount) at any stage;
19. Do not submit more than five (5) ASBA Forms per ASBA Account;
20. Do not submit ASBA Forms at a location other than the Specified Locations or to the brokers other than the Registered Brokers at a location other than the Broker Centres; and
21. Do not submit ASBA Forms to a Designated Intermediary at a Collection Centre unless the SCSB where the ASBA Account is maintained, as specified in the ASBA Form, has named at least one (1) branch in the relevant Collection Centre, for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at <http://www.sebi.gov.in>). The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.
22. Do not submit a Bid cum Application Form with third party UPI ID or using a third-party bank account (in case of Bids submitted by Retail Individual Investors using the UPI Mechanism).

The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

### **Instructions for completing the Application Form**

The Applications should be submitted on the prescribed Application Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Application Form. Applications not so made are liable to be rejected. Application forms submitted to the SCSBs should bear the stamp of respective intermediaries to whom the application form submitted. Application form submitted directly to the SCSBs should bear the stamp of the SCSBs and/or the Designated Branch. Application forms submitted by Applicants whose beneficiary account is inactive shall be rejected.

SEBI, vide Circular No. CIR/CFD/14/2012 dated October 04, 2012 has introduced an additional mechanism for investors to submit 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 Stock Exchange.

### **Applicant’s Depository Account and Bank Details**

Please note that, providing bank account details in the space provided in the Application Form is mandatory and applications that do not contain such details are liable to be rejected.

Applicants should note that on the basis of name of the Applicants, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Application Form, the Registrar to the Issue will obtain from the Depository the demographic details including address, Applicant's bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Bank Account details would be used for giving refunds to the Applicants. Hence, Applicants are advised to immediately update their Bank Account details as appearing on the records of the depository participant. Please note that failure to do so could result in delays in dispatch/ credit of refunds to Applicants at the Applicants' sole risk and neither the Lead Managers nor the Registrar to the Issue or the Escrow Collection Banks or the SCSB nor the Company shall have any responsibility and undertake any liability for the same. Hence, Applicants should carefully fill in their Depository Account details in the Application Form. These Demographic Details would be used for all correspondence with the Applicants including mailing of the CANs / Allocation Advice and printing of Bank particulars on the refund orders or for refunds through electronic transfer of funds, as applicable. The Demographic Details given by Applicants in the Application Form would not be used for any other purpose by the Registrar to the Issue. By signing the Application Form, the Applicant 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.

### **Payment by Stock Invest**

In terms of the Reserve Bank of India Circular No. DBOD No. FSC BC 42/ 24.47.00/ 2003 04 dated November 5, 2003; the option to use the stock invest instrument in lieu of cheques or bank drafts for payment of Application money has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

## **OTHER INSTRUCTIONS**

### **JOINT APPLICATIONS IN THE CASE OF INDIVIDUALS**

Applications may be made in single or joint names (not more than three). In the case of joint Applications, all payments will be made out in favour of the Applicant whose name appears first in the Application Form or Revision Form. All communications will be addressed to the First Applicant and will be dispatched to his or her address as per the Demographic Details received from the Depository.

### **MULTIPLE APPLICATIONS**

An Applicant should submit only one Application (and not more than one). Two or more Applications will be deemed to be multiple Applications if the sole or First Applicant is one and the same. In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are given below:

- i. All applications are electronically strung on first name, address (1st line) and applicant's status. Further, these applications are electronically matched for common first name and

address and if matched, these are checked manually for age, signature and father/ husband's name to determine if they are multiple applications.

- ii. Applications which do not qualify as multiple applications as per above procedure are further checked for common DP ID/ beneficiary ID. In case of applications with common DP ID/ beneficiary ID, are manually checked to eliminate possibility of data entry error to determine if they are multiple applications.
- iii. Applications which do not qualify as multiple applications as per above procedure are further checked for common PAN. All such matched applications with common PAN are manually checked to eliminate possibility of data capture error to determine if they are multiple applications.

In case of a mutual fund, a separate Application can be made in respect of each scheme of the mutual fund registered with SEBI and such Applications in respect of more than one scheme of the mutual fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made. In cases where there are more than 20 valid applications having a common address, such shares will be kept in abeyance, post allotment and released on confirmation of know your client norms by the depositories. The Company reserves the right to reject, in its absolute discretion, all or any multiple Applications in any or all categories.

After submitting an ASBA Application either in physical or electronic mode, an ASBA Applicant cannot apply (either in physical or electronic mode) to either the same or another Designated Branch of the SCSB Submission of a second Application in such manner will be deemed a multiple Application and would be rejected. More than one ASBA Applicant may apply for Equity Shares using the same ASBA Account, provided that the SCSBs will not accept a total of more than five Application Forms with respect to any single ASBA Account.

Duplicate copies of Application Forms downloaded and printed from the website of the Stock Exchange bearing the same application number shall be treated as multiple Applications and are liable to be rejected. The Company, in consultation with the Book Running Lead Managers reserves the right to reject, in its absolute discretion, all or any multiple Applications in any or all categories. In this regard, the procedure which would be followed by the Registrar to the Issue to detect multiple Applications is given below:

- All Applications will be checked for common PAN. For Applicants other than Mutual Funds and FII subaccounts, Applications bearing the same PAN will be treated as multiple Applications and will be rejected.
- For Applications from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Applications on behalf of the Applicants for whom submission of PAN is not mandatory such as the Central or State Government, an official liquidator or receiver appointed by a court and residents of Sikkim, the Application Forms will be checked for common DP ID and Client ID.



## **PERMANENT ACCOUNT NUMBER (“PAN”)**

Pursuant to the circular MRD/DoP/Circ 05/2007 dated April 27, 2007, SEBI has mandated Permanent Account Number (PAN) to be the sole identification number for all participants transacting in the securities market, irrespective of the amount of the transaction w.e.f. July 2, 2007. Each of the Applicants should mention his/her PAN allotted under the IT Act. Applications without the PAN will be considered incomplete and are liable to be rejected. It is to be specifically noted that Applicants should not submit the GIR number instead of the PAN, as the Application is liable to be rejected on this ground.

Our Company/ Registrar to the Issue, Lead Managers can, however, accept the Application(s) which PAN is wrongly entered into by ASBA SCSB's in the ASBA system, without any fault on the part of Applicant.

## **RIGHT TO REJECT APPLICATIONS**

In case of QIB Applicants, the Company in consultation with the Lead Managers may reject Applications provided that the reasons for rejecting the same shall be provided to such Applicant in writing. In case of Non-Institutional Applicants, Retail Individual Applicants who applied, the Company has a right to reject Applications based on technical grounds. It should be noted that RIIs using third party bank account for the payment in the public issue using UPI facility or using third party UPI ID linked bank account are liable to be rejected.

## **GROUND FOR TECHNICAL REJECTIONS**

Applicants are requested to note that Application may be rejected on the following additional technical grounds.

- Amount paid does not tally with the amount payable for the highest value of Equity Shares applied for;
- In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;
- Application by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
- PAN not mentioned in the Application Form;
- GIR number furnished instead of PAN;
- Applications for lower number of Equity Shares than specified for that category of investors;
- Applications at a price other than the Fixed Price of the Issue;
- Applications for number of Equity Shares which are not in multiples as stated in the chapter titled “Issue Structure”;

- Category not ticked;
- Multiple Applications as defined in the Prospectus;
- In case of Application under power of attorney or by limited companies, corporate, trust etc., where relevant documents are not submitted;
- Applications accompanied by Stock invest/ money order/ postal order/ cash;
- Signature of the First Applicant or sole Applicant is missing;
- Application Forms are not delivered by the Applicant within the time prescribed as per the Application Forms, Issue Opening Date advertisement and the Prospectus and as per the instructions in the Prospectus and the Application Forms;
- In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Applicants (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's account number;
- Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Applications by OCBs;
- Applications by US persons other than in reliance on Regulations or "qualified institutional buyers" as defined in Rule 144A under the Securities Act;
- Applications not duly signed;
- Applications by any persons outside India if not in compliance with applicable foreign and Indian laws;
- Applications by any person that do not comply with the securities laws of their respective jurisdictions are liable to be rejected;
- Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- Applications by persons who are not eligible to acquire Equity Shares of the Company in terms of all applicable laws, rules, regulations, guidelines, and approvals;
- Applications or revisions thereof by QIB Applicants, Non-Institutional Applicants where the Application Amount is in excess of ₹ 2,00,000, received after 3.00 pm on the Issue Closing Date;



- Applications not containing the details of Bank Account and/or Depositories Account.
- Applications under the UPI Mechanism submitted by Retail Individual Investors 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);
  - a. Application submitted by Retail Individual Investors using the UPI Mechanism through an SCSB and/or using a Mobile App or UPI handle, not listed on the website of SEBI;
  - b. Applications submitted on a plain paper.
  - c. Applications by person for whom PAN details have not been verified and whose beneficiary accounts are 'suspended for credit' in terms of SEBI circular (reference number: CIR/MRD/DP/ 22 /2010) dated July 29, 2010;

## 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 Applicant, Application Form number, Applicants Depository Account Details, number of Equity Shares applied for, date of Application form, name and address of the Banker to the Issue where the Application was submitted and a copy of the acknowledgement slip.

**Investors can contact the Company Secretary and Compliance Officer (CS Mayank Mundhra) 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.**

<b>Issuer Name:</b>  Dharni Capital Services Limited <b>Address:</b> 226, Brigade Metropolis Arcade, Whitefield Main Road, Garudacharpalya, Bangalore 560 048, Karnataka, India <b>Tel:</b> +91 8049526711 <b>Email:</b> <a href="mailto:cs@dharnigroup.com">cs@dharnigroup.com</a> <b>Website:</b> <a href="http://www.dharnicapital.com">http://www.dharnicapital.com</a>	<b>Registrar to the Issue Name:</b>  Cameo Corporate Services Limited <b>Address:</b> "Subramanian Building", #1, Club House Road, Chennai - 600 002, India <b>Tel No:</b> +91-44-40020700, 28460390 <b>Email:</b> <a href="mailto:investor@cameoindia.com">investor@cameoindia.com</a> <b>Website:</b> <a href="http://www.cameoindia.com">www.cameoindia.com</a>
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## Disposal of Applications

With respect to Investors, our Company shall ensure dispatch of Allotment Advice, refund orders (except for applicants who receive refunds through electronic transfer of funds) and give benefit to the beneficiary account of Depository Participants of the Applicants and submit the documents pertaining to the Allocation to the Stock Exchange(s) on the Investor Bidding Date. In case of Applicants who receive refunds through NECS, NEFT, direct credit or RTGS, the refund instructions will be given to the clearing system within 6 Working Days from the Bid/Offer Closing Date.



## **IMPERSONATION**

Attention of the Applicant 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 shall be liable for action under Section 447”.

Section 447 of Companies Act, 2013 deals with ‘Fraud’ and prescribed a punishment of “imprisonment for a term which shall not be less than 6 (six) months but which may extend to 10 (ten) years and shall also be liable to fine which shall not be less than the amount involved in the fraud, but which may extend to 3 (three) times the amount involved in the fraud”.

## **NAMES OF ENTITIES RESPONSIBLE FOR FINALISING THE BASIS OF ALLOTMENT IN A FAIR AND PROPER MANNER**

The authorised employees of the Stock Exchange, along with the Lead Managers 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.

## **BASIS OF ALLOTMENT**

Allotment will be made in consultation with the 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 [●] 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:
  - Each successful applicant shall be allotted [●] equity shares; and
  - The successful applicants out of the total applicants for that category shall be determined by the 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 (2) above.

4. 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.
5. 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. If as a result of the process of rounding off to the lower 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 offer specified under the Capital Structure mentioned in the Draft Prospectus.
6. Since present issue is a fixed price issue, the allocation in the net offer to the public category in terms of Regulation 253 of the SEBI (ICDR) Regulations, 2018 shall be made as follows:
  - a. A minimum of 50% of the net offer of shares to the Public shall initially be made available for allotment to retail individual investors as the case may be.
  - b. The balance net offer of shares to the public shall be made available for allotment to a) individual applicants other than retails individual investors and b) other investors, including Corporate Bodies/ Institutions irrespective of number of shares applied for.
  - c. The unsubscribed portion of the net to any one of the categories specified in (a) or (b) shall/may be made available for allocation to applicants in the other category, if so required.

If the retail individual investor is entitled to more than fifty percent on proportionate basis, the retail individual investors shall be allocated that higher percentage.

Please note that the Allotment to each Retail Individual Investor shall not be less than the minimum application lot, subject to availability of Equity Shares in the Retail portion. The remaining available Equity Shares, if any in Retail portion shall be allotted on a proportionate basis to Retail individual Investor in the manner in this para titled 'Basis of Allotment' of Draft Prospectus.

'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 the Stock Exchange.

## **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% of the



Issue size as specified 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 Stock Exchange in addition to Lead Managers 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, 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.**

### **AT PAR FACILITY**

Letters of Allotment or refund orders or instructions to Self-Certified Syndicate Banks in Application Supported by Blocked Amount process. The issuer shall ensure that “at par” facility is provided for encashment of refund orders for applications other than Application Supported by Blocked Amount process.

### **GROUND FOR REFUND**

#### *Non-Receipt of Listing Permission*

An Issuer makes an Application to the Stock Exchange for permission to deal in/list and for an official quotation of the Equity Shares. All the Stock Exchange from where such permission is sought are disclosed in Draft Prospectus. The designated Stock Exchange may be as disclosed in the Prospectus with which the Basis of Allotment may be finalised.

If the permission to deal in and official quotation of the Equity Shares are not granted by Stock Exchange, the Issuer may forthwith repay, without interest, all money received from the Applicants in pursuance of the Prospectus.

In the event that the listing of the Equity Shares does not occur in the manner described in this Draft Prospectus, the Lead Managers and Registrar to the Issue shall intimate Public Issue bank / Bankers to the Issue and Public Issue Bank/Bankers to the Issue shall transfer the funds from Public Issue account to Refund Account as per the written instruction from Lead Managers and the Registrar for further payment to the beneficiary Applicants.

If such money is not repaid within Four days after the Issuer becomes liable to repay it, then the Issuer and every director of the Issuer who is an officer in default may, on and from such expiry of eight days, be liable to repay the money, with interest at such rate, as prescribed under Section 73 of the Companies Act, and as disclosed in the Draft Prospectus.

#### *Minimum Subscription*

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten.

As per section 39 of the Companies Act, 2013, if the "Stated Minimum Amount" has not been subscribed and the sum payable on application money has to be returned within such period of 30 days from the date of the Prospectus, the application money has to be returned within such period as may be prescribed. If the Issuer does not receive the subscription of 100% of the Issue through this offer document including devolvment of underwriters within Sixty Days from the date of closure of the Issue, the Issuer shall Forthwith refund the entire subscription amount received. If there is a delay beyond eight days after the Issuer become liable to pay the amount, the Issuer shall pay interest prescribed under section 73 of the Companies Act, 1956 (or the Company shall follow any other substitutional or additional provisions as has been or may be notified under the Companies Act, 2013)

#### *Minimum Number of Allottees*

The Issuer may ensure that the number of Allottees to whom Equity Shares may be allotted may not be less than fifty (50), failing which the entire application monies may be refunded forthwith.

#### **MODE OF REFUNDS**

- a) **In case of ASBA Bids:** Within Four (4) Working Days of the Bid / Offer Closing Date, the Registrar to the Offer may give instructions to SCSBs for unblocking the amount in ASBA Account on unsuccessful Bid, for any excess amount blocked on Application, for any ASBA Bids withdrawn, rejected or unsuccessful or in the event of withdrawal or failure of the Offer
- b) In the case of Applicant from Eligible NRIs and FPIs, refunds, if any, may generally be payable in Indian Rupees only and net of bank charges and/ or commission. If so desired, such payments in Indian Rupees may be converted into U.S. Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and may be dispatched by registered post. The Company may not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.
- c) **In case of Investors:** Within Four (4) Working Days of the Bid/Offer Closing Date, the Registrar to the Offer may dispatch the refund orders for all amounts payable to unsuccessful Investors. In case of Investors, the Registrar to the Offer may obtain from the depositories, the Bidders' bank account details, including the MICR code, on the basis of the DP ID, Client ID and PAN provided by the Investors in their Investor Application Forms for refunds. Accordingly, Investors are advised to immediately update their details as appearing on the records of their depositories. Failure to do so may result in delays in dispatch of refund orders or refunds through electronic transfer of funds, as applicable, and any such delay may be at the Investors' sole risk and neither the Issuer, the Registrar to the Offer, the Escrow Collection Banks, may be liable to compensate the Investors for any losses caused to them due to any such delay, or liable to pay any interest for such delay.

#### **MODE OF MAKING REFUNDS FOR APPLICANTS OTHER THAN ASBA APPLICANTS**

The payment of refund, if any, may be done through various modes as mentioned below:

- (i) **NECS** - Payment of refund may be done through NECS for Applicants having an account at any of the centres specified by the RBI. This mode of payment of refunds may be subject to availability of complete bank account details including the nine-digit MICR code of the Bidder as obtained from the Depository;
- (ii) **NEFT** - Payment of refund may be undertaken through NEFT wherever the branch of the Applicants' bank is NEFT enabled and has been assigned the Indian Financial System Code ("**IFSC**"), which can be linked to the MICR of that particular branch. The IFSC Code may be obtained from the website of RBI as at a date prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Applicants have registered their nine-digit MICR number and their bank account number while opening and operating the demat account, the same may be duly mapped with the IFSC Code of that particular bank branch and the payment of refund may be made to the Applicants through this method. In the event NEFT is not operationally feasible, the payment of refunds may be made through any one of the other modes as discussed in this section;
- (iii) **Direct Credit** - Applicants having their bank account with the Refund Banker may be eligible to receive refunds, if any, through direct credit to such bank account;
- (iv) **RTGS** - Applicants having a bank account at any of the centres notified by SEBI where clearing houses are managed by the RBI, may have the option to receive refunds, if any, through RTGS. The IFSC code shall be obtained from the demographic details. Investors should note that on the basis of PAN of the bidder, DP ID and beneficiary account number provided by them in the Bid cum Application Form, the Registrar to the Offer will obtain from the Depository the demographic details including address, Applicant's account details, IFSC code, MICR code and occupation (hereinafter referred to as "Demographic Details"). The bank account details for would be used giving refunds. Hence, Applicants are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in dispatch/ credit of refunds to Applicants at their sole risk and neither the BRLM or the Registrar to the Offer or the Escrow Collection Banks nor the Company shall have any responsibility and undertake any liability for the same; and
- (v) Please note that refunds, on account of our Company not receiving the minimum subscription of 100% of the Offer, shall be credited only to the bank account from which the Applicant Amount was remitted to the Escrow Bank.

For details of levy of charges, if any, for any of the above methods, Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centres etc. Applicants may refer to Draft Prospectus.

## **INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND**

The issuer shall allot securities offered to the public shall be made within the period prescribed by the Board. The issuer shall also pay interest at the rate of fifteen per cent. per annum (15% p.a.) if the allotment letters or refund orders have not been despatched to the applicants or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions

have not been given to the clearing system in the disclosed manner within eight days from the date of the closure of the issue. However, applications received after the closure of issue in fulfilment of underwriting obligations to meet the minimum subscription requirement, shall not be entitled for the said interest.

## **COMPLETION OF FORMALITIES FOR LISTING & COMMENCEMENT OF TRADING**

The Issuer may ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchange are taken within 6 Working Days of the Issue Closing Date. The Registrar to the Issue may give instruction for credit of Equity Shares to the beneficiary account with DPs, and dispatch the allotment Advise within 4 Working Days of the Issue Closing Date.

## **UNDERTAKING BY OUR COMPANY**

Our Company undertakes the following:

1. That the complaints received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily;
2. That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange where the Equity Shares are proposed to be listed within 6 (Six) working days of closure of the Issue;
3. That funds required for making refunds / unblocking to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by us;
4. That where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within the specified period of closure of the issue giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
5. That no further issue of Equity Shares shall be made till the Equity Shares offered through the Prospectus are listed or until the Application monies are refunded on account of non-listing, under subscription etc.
6. That adequate arrangements shall be made to collect all Applications Supported by Blocked Amount and to consider them similar to non-ASBA applications while finalizing the basis of Allotment; and
7. That if our Company does not proceed with the Issue after the Issue Closing Date, the reason thereof shall be given as a public notice which will be issued by our Company within two (2) days of the Issue Closing Date. The public notice shall be issued in the same newspapers where the pre- Issue advertisements were published. Stock Exchange on which the Equity Shares are proposed to be listed shall also be informed promptly;





8. That if our Company withdraws the Issue after the Issue Closing Date, our Company shall be required to file a fresh Draft Prospectus with Stock Exchange/ RoC / SEBI, in the event our Company subsequently decides to proceed with the Issue;

### **Utilization of Issue Proceeds**

Our Board certifies that:

1. All monies received out of the 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
2. Details of all monies utilized out of the Issue shall be disclosed and continue to be disclosed till any part of the issue proceeds remains unutilized under an appropriate separate head in the Company's balance sheet indicating the purpose for which such monies have been utilized; Details of all unutilized monies out of the Issue, if any shall be disclosed under an appropriate head in the balance sheet indicating the form in which such unutilized monies have been invested.
3. Our Company shall comply with the requirements of SEBI Listing Regulations, 2015 in relation to the disclosure and monitoring of the utilization of the proceeds of the Issue.
4. Our Company shall not have recourse to the Issue Proceeds until the approval for listing and trading of the Equity Shares from the Stock Exchange where listing is sought has been received.
5. The Lead Manager undertakes that the complaints or comments received in respect of the Issue shall be attended by our Company expeditiously and satisfactorily.

### **EQUITY SHARES IN DEMATERIALIZED FORM WITH NSDL AND CDSL**

To enable all shareholders of the Company to have their shareholding in electronic form, the Company had signed the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent.

- a) a tripartite agreement dated July 12, 2022 with NSDL, our Company and Registrar to the Issue;
- b) a tripartite agreement dated June 16, 2022 with CDSL, our Company and Registrar to the Issue;

The Company's shares bear an ISIN No: INE0M9Q01011

1. An applicant applying for Equity Shares in demat form must have at least one beneficiary account with the Depository Participants of either NSDL or CDSL prior to making the application.



2. 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.
3. Equity Shares allotted to a successful applicant will be credited in electronic form directly to the Applicant's beneficiary account (with the Depository Participant).
4. 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.
5. 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.
6. The Applicant is responsible for the correctness of his or her demographic details given in the Application Form vis-à-vis those with their Depository Participant.
7. It may be noted that 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.
8. The trading of the Equity Shares of our Company would be only in dematerialized form.

## **RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES**

Foreign investment in Indian securities is regulated through the FEMA and various regulations made thereunder. The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (“DIPP”) makes policy announcements on FDI through press notes and press releases which are notified by the RBI as amendments to the FEMA. The DIPP also issues the Consolidated Foreign Direct Investment Policy from time to time. The regulatory framework pertaining to foreign investment, over a period of time, thus, consists of acts, regulations, master circulars, press notes, press releases, and clarifications among other amendments.

The current consolidated FDI policy circular of 2017, dated August 28, 2017 issued by the DIPP (“FDI Policy”) consolidates the policy framework which was in force as on August 28, 2017. All the press notes, press releases, clarifications on FDI issued by DIPP till August 27, 2017 stand rescinded as on August 28, 2017. In terms of the FDI Policy, Foreign investment is permitted (except in the prohibited sectors) in Indian companies either through the automatic route or the Government route, depending upon the sector in which foreign investment is sought to be made. In terms of the FDI Policy, the work of granting government approval for foreign investment under the FDI Policy and FEMA Regulations has now been entrusted to the concerned Administrative Ministries/Departments. FDI for the items or activities that cannot be brought in under the automatic route may be brought in through the approval route.

RBI has also issued Master Direction- Foreign Investment in India dated January 4, 2018. In terms of the Master Direction, an Indian company may issue fresh shares to persons resident outside India (who are 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 Directions.

The RBI, in exercise of its power under the FEMA, has also notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2017 to prohibit, restrict or regulate, transfer by or issue security to a person resident outside India.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “U.S. Securities Act”), or the securities laws of any state of the United States and may not be offered or sold within the United States, except pursuant to exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in offshore transactions in reliance on Regulation S under 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 Applications 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 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 draft prospectus. Applicants are advised to make their independent investigations and ensure that Applications are not in violation of laws or regulations applicable to them and do not exceed the applicable limits under the laws and regulations.

## SECTION X

### MAIN PROVISIONS OF ARTICLES OF ASSOCIATION OF OUR COMPANY

Pursuant to Schedule I of the Companies Act, and the SEBI ICDR Regulations, the Main provisions of the Articles of Association relating to voting rights, dividend, lien, forfeiture, restrictions on transfer and Transmission of equity shares or debentures, their consolidation or splitting are as provided below. Each provision below is numbered as per the corresponding article number in the articles of association and defined terms herein have the meaning given to them in the Articles of Association.

ARTICLE	PARTICULARS	HEADING
<b>PRELIMINARY</b>		
1.	The regulations contained in Table ‘F’ in the First Schedule to the Companies Act, 2013, <b>shall not apply</b> to this Company, except as are specifically contained or expressly made applicable in these Articles. The regulations for the management of the Company and for the observance by the members thereof and their representatives shall, subject to any exercise of the statutory powers of the Company in reference to the repeal or alterations of or additions to, its regulations by resolutions as prescribed by said Companies Act, 2013, be such as are contained in these Articles.	<b>Table ‘F’ not to apply but Company to be governed by these Articles</b>
<b>INTERPRETATION</b>		
2.	In these Articles:-	<b>Interpretation &amp; Definition</b>
	A. “Act” means the Companies Act, 2013 or any statutory modification or re-enactment thereof for the time being in force and the term shall be deemed to refer to the applicable section thereof which is relatable to the relevant Article in which the said term appears in these Articles and any previous company law, so far as may be applicable.	
	B. “Articles” means these Articles of Association of the Company or as altered from time to time.	
	C. “Annual General Meeting” or “AGM” means a General Meeting of members held in accordance with the provisions of section 96 of the Act.	
	D. “Board of Directors” or “Board”, means the collective body of the Directors of the Company.	

	E. “Beneficial Owner” shall mean the beneficial owner as defined in clause (a) of Sub-section (1) of Section 2 of the Depositories Act, 1996.	
	F. “Bye-Laws” means bye-laws made by the Depository under Section 26 of the Depositories Act.	
	G. “Company” means <b>DHARNI CAPITAL SERVICES LIMITED.</b>	
	H. “Depository Act” means the Depositories Act, 1996 and shall include any statutory modification(s) or re-enactment thereof, for the time being in force.	
	I. “Depository” shall have the meaning as defined in clause (e) of sub-section (1) of section 2 of the Depositories Act, 1996.	
	J. “Extra Ordinary General Meeting” or “EGM” means a General Meeting of members of the Company other than AGM held in accordance with the provisions of the Act.	
	K. “Financial Year” shall mean the period from 1 <sup>st</sup> day of April to 31 <sup>st</sup> March.	
	L. “General Meeting” means the meeting of the members of the Company.	
	M. “Independent Director” means an Independent Director who satisfies the requirements of being qualified as an independent Director as set out in Section 149 and other provisions of the Act and the Rules made thereunder.	
	N. “Interested Director” means a Director who is in any way, whether by himself or through any of his relatives or firm, body corporate or other association of individuals in which he or any of his relatives is a partner, director or a member, interested in a contract or arrangement, or proposed contract or arrangement, entered into or to be entered into by or on behalf of a company.	
	O. “Key Managerial Personnel” means (i) the chief executive officer or the managing director or manager of the Company; (ii) the company secretary; (iii) the whole-time director; (iv) the chief financial officer; (v) such other officers as may be prescribed.	
	P. “Month” means English calendar month.	

	Q. “Member(s)” or “Shareholder(s)” means the duly registered holder(s) from time to time of the shares of the Company and includes the Subscribers to the Memorandum of Association of the Company and the beneficial owner (s) under Section 2 of the Depositories Act, 1996.	
	R. “Managing Director” means a director who, by virtue of the articles of a company or an agreement with the company or a resolution passed in its general meeting, or by its Board of Directors, is entrusted with substantial powers of management of the affairs of the company and includes a director occupying the position of managing director, by whatever name called.	
	S. “Manager” means an officer, including a Director of the Company who has the management of the whole, or substantially the whole, of the affairs of the Company, subject to the superintendence, control and direction of the Board of Directors.	
	T. “Memorandum” means the Memorandum of Association of the Company.	
	U. “Office” means the Registered Office of the Company for the time being in force.	
	V. “Ordinary and Special Resolution” shall have the meaning assigned to these terms under section 114 of the Act.	
	W. “Proxy” means an instrument whereby any person is authorized to attend the Meeting for a member and to vote in the event of poll and also includes attorney duly constituted under a power of attorney.	
	X. “Rules” means the applicable rules for the time being in force as prescribed under relevant sections of the Act.	
	Y. “Register” means the Register of Members to be kept pursuant to Section 88 of the Companies Act, 2013.	
	Z. “Rules” means the applicable rules for the time being in force as prescribed under relevant sections of the Act and notified in the official gazette.	
	AA. “Section” or “Sec” means Section of the Companies Act, 2013.	
	BB. “Securities” means the securities as defined in clause (h) of section 2 of the Securities	

	Contracts (Regulation) Act, 1956.	
	CC. "Seal" means the common seal of the Company.	
	DD. "Writing" shall include printing and lithography and any other mode or modes representing or reproducing words in a visible form or partly one and partly other.	
	Words importing the singular number shall include the plural number and words importing the masculine gender shall, where the context admits, include the feminine and neuter gender.  Unless the context otherwise requires, words or expressions contained in these Articles shall bear the same meaning as in the Act or the Rules, as the case may be.	
<b>SHARE CAPITAL</b>		
3.	The Authorised Share Capital of the Company shall be such amount and be divided into such shares as may, from time to time, be provided in Clause 5 of the Memorandum of Association of the Company with power to increase or reduce the capital in accordance with the Company's regulations and legislative provisions for the time being in force in that behalf with the powers to divide the share capital, whether original increased or decreased into several classes and attach thereto respectively such ordinary, preferential or special rights and conditions in such a manner as may for the time being be provided by the Regulations of the Company and allowed by law.	<b>Capital of the Company</b>
4.	Subject to the provisions of the Act and these Articles, the shares in the capital of the Company shall be under the control of the Board who may issue, allot or otherwise dispose off the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit. Subject to the provisions of the Act and these Articles, the Board may issue and allot shares in the capital of the Company on payment or part payment for any property or assets of any kind whatsoever sold or transferred, goods or machinery supplied or for services rendered to the Company in the conduct of its business and any shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than for cash, and if so issued, shall be deemed to be fully paid-up or partly paid-	<b>Shares under the control of the Board of Directors</b>



	up shares, as the case may be.	
5.	<p>The Company may issue the following kinds of shares in accordance with these Articles, the Act, the Rules and other applicable laws:</p> <p>A. Equity share capital with voting rights;</p> <p>B. Equity share capital with differential rights as to dividend, voting or otherwise in accordance with the Rules; and</p> <p>Preference share capital</p>	<b>Kinds of Share capital</b>
6.	<p>A further issue of shares may be made in any manner whatsoever as the Board may determine including by way of preferential offer or private placement subject to and in accordance with the Act and the Rules.</p> <p>Where at any time, the Company proposes to increase its subscribed capital by the issue of further shares, such shares shall be offered:</p> <p>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; such offer 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;</p> <p>B. to employees under a scheme of employees' stock option,</p> <p>C. To any persons, whether or not those persons include the persons referred to in clause (A) or (B) above.</p> <p>The Board may offer, issue and allot securities on preferential basis subject to the provisions of the Act.</p>	<b>Further Issue of Shares</b>
7.	<p>Subject to provisions of the Act, the Board shall have the power to issue or re-issue preference shares of one or more classes, which are liable to be redeemed or converted to equity shares, on such terms and conditions and in such manner as determined by the Board in accordance with the Act.</p>	<b>Redeemable Preference Shares</b>

8.	Subject to the provisions of the Act and other applicable provisions of law, the Company may with the approvals of the Shareholders in the general meeting issue sweat equity shares and/or other competent authorities for the time being and further subject to such conditions as may be prescribed in that behalf.	<b>Sweat Equity Shares</b>
9.	The Company may issue fully paid-up bonus shares to its members out of free reserves, the securities premium account or the capital redemption reserve accounts. Provided that no issue of bonus shall be made by capitalizing reserves created by revaluation of assets. The Company in pursuance of articles shall have the power to capitalize its reserves or profits for the purpose of issuing fully paid up shares provided it has been authorized in the general meeting of the members, not defaulted in the payment of interest or principal in respect of fixed deposits or debt securities issued by it, not defaulted in respect of the payment of statutory dues of employee, such as contribution to provident fund, gratuity and bonus, the partly paid up shares, if any outstanding on the date of allotment are made fully paid up, and complies with such other condition. The Company shall not issue bonus shares in lieu of dividend.	<b>Bonus issue of shares No bonus in lieu of dividend</b>
10.	Except so far as otherwise provided by the conditions of issue, any capital raised by the creation of new shares shall be considered part of the original capital and shall be subject to the provisions herein contained with reference to the payment of calls and installments, transfer and transmission, forfeiture, lien, surrender, voting and otherwise.	<b>New Shares shall be considered Same as original capital</b>
11.	The Company shall not have the power to buy its own shares unless the consequent reduction of capital is effected under applicable provisions of the Act. Except to the extent permitted by Section 67 or other applicable provisions (if any) of the Act, the Company shall not give whether 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 the purchase or subscription made or to be made by any person or for any shares in the Company. Nothing in this Article shall affect the right of	<b>Restrictions on purchase by Company of its own shares</b>

	the Company to redeem any preference shares issued by the Company or to buy back any securities of the Company.	
12.	The Company may from time to time by special resolution reduce its share capital in any way authorized by the Act and in accordance with the Rules reduce (a) its share capital; and/or (b) capital redemption reserve account; and/or (c) any securities premium account; and/or (d) any other reserve in the nature of share capital.	<b>Reduction of Capital</b>
13.	Notwithstanding anything contained in the Articles but subject to Section 68 to 70 of the Act and other relevant provisions of the Act and the Rules or any other law for the time being in force, the Company may purchase its own shares or other securities.	<b>Buy Back of Securities</b>
14.	<p>The Company may in General Meeting alter the condition of its Memorandum as follows :</p> <p>A. Increase its share capital by such sum, to be divided into shares of such amount, as it thinks expedient.</p> <p>B. Consolidate and divide all or any of its share capital into shares of larger amounts than its existing shares.</p> <p>Provided that no consolidation and division which results in changes in voting percentage of shareholders shall take place without obtaining the applicable approvals under the Act.</p> <p>C. Sub-divide its shares or any of them into shares of smaller amounts than is originally fixed by the Memorandum subject to the provisions of the Act and of these Articles.</p> <p>Cancel shares which at the date of such General Meeting have not been taken or agreed to be taken by any person.</p>	<b>Power to alter Share Capital</b>
15.	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 the issue of the shares of that class be deemed to be varied by the creation or issue of further shares ranking <i>pari-passu</i> therewith.	<b>Issue of further <i>pari-passu</i> shares not to affect the right of shares already issued</b>

16.	If at any time the share capital 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 the applicable Act and whether or not the Company is being wound up, be varied with the consent in writing of the holders of not less than three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the issued shares of that class and all the provisions contained in these Articles as to General Meeting (including the provisions relating to quorum at such meetings) shall mutatis mutandis apply to every such meeting.	<b>Variation of rights</b>
<b>SHARES</b>		
17.	Share shall mean a share in the share capital of the Company and shall include stock.	<b>Share to include stock</b>
18.	The shares in the capital of the company shall be numbered progressively (according to their respective denominations) and except in the manner mentioned in these Articles, no share shall be sub-divided.	<b>Shares to be numbered progressively and no share to be sub-divided</b>
19.	Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialize or rematerialize its shares, debentures and other securities (both existing and future) held by it with the Depository and to offer its shares, debentures and other securities for subscription in a dematerialized form pursuant to the Depositories Act and the Rules framed thereunder if any. The Company shall however be entitled to maintain a register of members with details of members holding shares both in material and dematerialized form in any media as permitted by law including any form of electronic media.	<b>Dematerialization of Securities</b>
20.	Shares may be issued and held either in physical mode or in dematerialized state with a depository. A person subscribing to shares offered by the Company shall have the option either to receive certificates for such shares or hold the shares in a dematerialized state with a depository. Where a person opts to hold any share with the depository, the Company shall intimate such depository the details of allotment of the share to enable the depository to enter in its records the name of such person as the beneficial owner of that share.	<b>Mode of issue of Shares</b>

21.	All securities held by a Depository shall be in a fungible form. Nothing contained in Sections 89 of the Act shall apply to a Depository in respect of the securities held by it on behalf of the beneficial owners.	<b>Securities in Depositories to be in fungible form</b>
22.	<p>Notwithstanding anything contrary contained in the Act or these Articles, a Depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the Beneficial Owner. Save as otherwise provided by law or in these Articles, the Depository as a registered owner of the securities shall not have any voting rights or any other right in respect of the securities held by it.</p> <p>Every person holding securities of the Company and whose name is entered as a Beneficial Owner in the records of the Depository shall be deemed to be a member of the Company and shall have the right to vote and other rights in respect of the securities.</p>	<b>Rights of Depositories and Beneficial Owners</b>
23.	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 intimation as above, make appropriate entries in its record and shall inform the Company accordingly. The Company shall within 30 days of the receipt of the 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.	<b>Option to opt out in respect of any security</b>
24.	<p>Notwithstanding anything to the contrary contained in these Articles</p> <p>(i) Section 45 of the Act shall not apply to the shares with a Depository; (ii) Section 56 of the Act shall not apply to transfer of security effected by the transferor and the transferee both of whom are entered as Beneficial Owners in the records of a Depository.</p>	<b>Sections 45 and 56 of the Act not to apply to shares with a Depository</b>
25.	Where securities are dealt with in a Depository, the Company shall intimate the details of allotment of securities thereof to the Depository immediately on allotment of such securities.	<b>Intimation to Depository</b>

26.	Stamp duty would be payable on transfer of shares and securities held in dematerialized form as per the relevant regulatory provisions.	<b>Stamp duty on securities held on de-materialized form</b>
27.	In case of transfer of securities, where the Company has not issued any certificate and where such securities are being held in an electronic and fungible form by a Depository, the provisions of the Depositories Act shall apply.	<b>Applicability of the Depositories Act</b>
28.	Save as herein otherwise provided, the Company shall be entitled to treat the person whose name appears on the register of members as the holder of any share, and the Beneficial Owner of the shares in the records of the Depository as the absolute owner thereof as regards receipt of dividends or bonus or service of notices and all or any other matters connected with the Company, and accordingly the Company shall not except as ordered by a Court of competent jurisdiction or as by law be bound to recognize any benami trust or equity or equitable, contingent or other claim to or interest in such share on the part of any other person whether or not it has express or implied notice thereof.	<b>Company to recognize the rights of registered Holders as also the Beneficial Owners in the records of the Depository</b>
<b>JOINT HOLDERS</b>		
29.	Where two or more persons are registered as the holders of any share, they shall be deemed (so far as the Company is concerned) to hold the same as joint-tenants with benefits of survivorship subject to the provisions contained in these Articles.	<b>Joint holders</b>
30.	The Company shall be entitled to decline to register more than four persons as the joint-holders of any share.	<b>Company may refuse to register more than four Persons</b>
31.	The joint-holders of any shares shall be liable severally as well as jointly for and in respect of all calls and other payments which ought to be made in respect of such shares.	<b>Joint and several liability</b>
32.	On the death of any one or more joint-holders, the survivor or survivors shall be the only person or persons recognized by the Company as having any title to the share but the Directors may require such evidence of death as they may deem fit and nothing herein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other person.	<b>Title of survivors</b>



33.	Any one of such joint-holders may give effectual receipts of any dividends, interest or other moneys payable in respect of such shares.	<b>Receipt by one holder sufficient</b>
34.	Only the person whose name stands first in the register of members as one of the joint-holders of any share shall be entitled to delivery of the certificate, if any, relating to such share or to receive documents and notices from the Company and any documents and notices served on or sent to such person shall be deemed served on all the joint-holders.	<b>Delivery of certificates and giving notice to first named holder</b>
35.	Any one of two or more joint-holders may vote at any meeting, either personally or by attorney duly authorized under a power of attorney or by proxy in respect of such share as if he were solely entitled thereto and if more than one of such joint-holders be present at any meeting personally or by proxy or by attorney then that one of such persons so present, whose name stands first or higher (as the case may be) on the register in respect of such share, shall alone be entitled to vote in respect thereof. Provided always that a joint- holder present at any meeting personally shall be entitled to vote in preference to a joint-holder present by an attorney duly authorized under power of attorney or by proxy although the name of such joint-holder present by an attorney or proxy stands first or higher as the case may be in the register in respect of such shares.	<b>Votes of joint-holders</b>
36.	All executors or administrators of a deceased member in whose name any share stands shall for the purpose of these Articles be deemed to be joint-holders.	<b>Executors or administrators as joint holders</b>
37.	The provisions of these Articles relating to joint holders of shares shall <i>mutatis mutandis</i> apply to any other securities including debentures of the Company registered in joint name.	<b>Provision to apply to other securities</b>
<b>CERTIFICATE</b>		
38.	With respect to shares in physical form, 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 Board of Directors so approve (upon paying such fees as the Board may from time to 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	<b>Share Certificates</b>



	<p>2 months from the date of allotment, or within 1 month of the receipt of application of registration of transfer, transmission, subdivision, consolidation or renewal of any of its shares as the case may be. 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 of several joint holders shall be sufficient delivery to all such holders. Every certificate of shares shall be under the seal of the Company and shall specify the distinctive numbers of shares in respect of which it is issued and amount paid-up thereon and shall be in the form as prescribed under the Company (Share Capital and Debenture) Rules, 2014.</p>	
39.	<p>The certificate of title to shares shall be issued under the seal of the Company which shall be affixed in the presence of and signed by (i) two Directors duly authorized by the Board of Directors; and (ii) the Company Secretary or some other person authorized by the Board for the purpose.</p> <p>Provided that at least one of the aforesaid two directors shall be person other than the Managing Director or Whole Time Director. A Director may sign a share certificate by fixing his signature thereon by means of any machine, equipment or other mechanical means such as engraving in metal or lithography or digitally signed but not by means of a rubber stamp. Provided always that notwithstanding anything contained in this Article, the certificates of title to shares may be executed and issued in accordance with such other provisions of the Act or the Rules made thereunder as may be in force for the time being and from time to time.</p>	<b>Signing of Share Certificates</b>
40.	<p>If any certificate is 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 duplicate certificate may be issued in lieu thereof. If any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deems adequate, being given and on payment of out-of-pocket expenses incurred by the Company in</p>	<b>Duplicate Certificates</b>

	<p>investigating the evidence produced, issue a duplicate certificate in lieu thereof. Every certificate, under this Article, shall be issued on payment of such fees (not exceeding Rs. 50 for each certificate) as the Board 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. The Company shall issue a duplicate certificate within 15 days from the date of submission of complete documents with the Company.</p>	
<b>CALLS</b>		
41.	<p>The Board of Directors may from time to time, but subject to the conditions hereinafter mentioned, make such calls as they think fit (not being more than one-fourth of the nominal value of the share) upon the members in respect of all moneys unpaid on the shares held by them respectively (whether on account of nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times; and each member shall pay the amount of every call so made on him to the Company at the time appointed by the Board (not being earlier than onemonth from the date fixed for the payment of the last preceding call). A call may be made payable by installments. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.</p>	<b>Board may make calls</b>
42.	<p>Where after the commencement of the Act, any calls for further capital are made on shares; such calls shall be made on a uniform basis on all shares falling under the same class. For the purpose of this Article, shares of the same nominal value on which different amounts have been paid up shall not be deemed to fall under same class.</p>	<b>Calls on shares of same class to be made on uniform basis</b>
43.	<p>If by the terms of issue of shares, any amount shall be payable by installments, then every such installment, when due, be paid to the Company by the person, who for the time being and from time to time is or shall be the registered holder of the share or the legal representative of the deceased registered holder.</p>	<b>Installments on shares to be duly paid</b>

44.	14 days' notice at the least of every call otherwise than on allotment shall be given specifying the time of payment and if payable to any person other than the Company, the name of the person to whom the call shall be paid, provided that before the time for payment of such call the Board may by notice in writing to the members revoke the same.	<b>Notice to call</b>
45.	A call shall be deemed to have been made at the time when the resolution of the Board of Directors authorizing such call was passed and may be made payable by the members whose names appear on the Register of Members on such date or at the discretion of the Board on such subsequent date as shall be fixed by the Board.	<b>Call effective from date of Resolution</b>
46.	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 shares or by way of premium) every such amount or installment shall be payable as if it were a call duly made by Board of Directors and of which due notice has been given and all the provisions herein contained in respect of calls including as to payment of interest and expenses, forfeiture or otherwise shall relate to such amount or installment accordingly.	<b>Amount payable at fixed time or by installments as calls</b>
47.	If the sum payable in respect of any call or installment is not paid on or before the day appointed for payment thereof, the holder for the time being or allottee of the share in respect of which a call shall have been made or the installment shall be due shall pay interest on the same at such rate not exceeding 10 (ten) per cent per annum as the Board shall fix, from the day appointed for the payment thereof to the time of actual payment. The Board may waive payment of such interest wholly or in part at its discretion.	<b>When interest on call or installments payable</b>
48.	The Board of Directors may, if it thinks fit, subject to the provisions of the Act, agree to and receive from any member willing to advance the same, whole or any part of the moneys remaining unpaid on any shares held by such member, even if no part of that amount has been called up, and upon the amount so paid in advance, or so much thereof as from time to time exceeds the amount of the calls then made	<b>Payments in anticipation of calls may carry interest</b>

	upon the shares in respect of which such advance has been made, the company may pay interest at such rate, as may be fixed by the Board. . Provided that money paid in advance of calls shall not confer a right on the member to participate in profits or dividend. The Board 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 as advance until the same has been called up.	
<b>FORFEITURE, SURRENDER AND LIEN</b>		
49.	If any member fails to pay the whole or any part of any call or installment or any money due in respect of any shares either by way of principal or interest on the day appointed for the payment of the same, the Board of Directors may, at any time thereafter during such time as the call or installment or any part thereof or other moneys remain unpaid or a judgment or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on such member or on the person (if any) entitled to the share by transmission requiring him to pay such call or installment or such part thereof or other moneys as remain unpaid together with any interest that may have accrued and all expenses (legal or otherwise) that may have been incurred by the Company by reason of such non-payment.	<b>If call or installment not paid notice must be given</b>
50.	The notice shall name a day (not being less than 14 days from the date of the notice) on or before which such call, installment or such part or other moneys as aforesaid and such interest and expenses as aforesaid are to be paid. The notice shall also state that in the event of non-payment on or before the time appointed the shares in respect of which the call was made or installment is payable will be liable to be forfeited.	<b>Terms of notice</b>
51.	If the requirement of any such notice as aforesaid shall not be complied with, any of the shares in respect of which such notice has been given, may at any time thereafter, before payment of all calls or installments, interest and expenses or other moneys due in respect thereof, be forfeited by a resolution of the Board of Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited share and not actually paid before the forfeiture.	<b>Forfeiture of shares in case of default</b>

52.	Any share so forfeited shall be deemed to be the property of the Company and may be sold, re-allotted or otherwise disposed of, upon such terms and in such manner as the Board shall think fit.	<b>Forfeited shares to be property of the Company and may be sold etc.</b>
53.	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 they think fit.	<b>Power to annul forfeiture</b>
54.	Any member whose shares have been forfeited shall notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company all calls, installments, interest, expenses and other moneys owing upon or in respect of such shares at the time of the forfeiture together with the interest thereon from the time of the forfeiture until payment at such rate not exceeding the rate as the Board of Directors may determine and may enforce the payment of the whole or a portion thereof if they think fit but shall not be under any obligation to do so.	<b>Member still liable to pay money owing at the time of forfeiture and interest</b>
55.	The Board of Directors may subject to the provisions of the Act accept a surrender of any share from or by any member desirous of surrendering shares of the Company on such terms, as they think fit.	<b>Surrender of shares</b>
56.	The Company shall have a first and paramount lien upon all the shares (other than fully paid-up shares) 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 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. Unless otherwise agreed the registration of a transfer of shares shall operate as a waiver of the Company's lien if any, on such shares. The Board may at any time declare any shares wholly or in part to be exempt from the provisions of this Article.	<b>Company's lien on shares</b>
57.	For the purpose of enforcing such lien, the Board may sell the shares subject thereto in such manner as they shall think fit, but no sale shall	<b>As to enforcing lien by sale</b>

	<p>be made (until such period as aforesaid shall have arrived) and until notice in writing of the intention to sell shall have been served on such member or his executor or administrator or legal representative or the person (if any) entitled by transmission to the share and default shall have been made by him or them in payment, fulfillment or discharge of such debts, liabilities or engagements for 7 (seven) days after such notice. To give effect to any such sale, the Board may authorize some person to transfer the shares sold to the purchaser thereof and the purchaser shall be registered as the holder of the shares comprised in any such transfer. Upon any such sale as aforesaid, the certificates in respect of the shares sold shall stand cancelled and become null and void and be of no effect and the Board shall be entitled to issue a new certificate or certificates in lieu thereof to the purchaser or purchasers concerned.</p>	
58.	<p>The net proceeds of any such sale after payment of the costs of such sale shall be applied in or towards the satisfaction of such debts, liabilities or engagements of such members and the residue (if any) paid to such member or executor or administrator or legal representative or the person (if any) entitled by transmission to the shares so sold.</p>	<b>Application of proceeds of sale</b>
59.	<p>A duly verified declaration in writing under the hands of a Director, Manager or Secretary that the call in respect of a share was made, and notice thereof given, and that default in payment of the call was made, and that the forfeiture of the share was made by a resolution of the Board to that effect, on a date mentioned in the declaration, shall be conclusive evidence of the fact stated therein as against all persons entitled to such share.</p>	<b>Declaration for Forfeiture of shares for default in payment of calls made</b>
60.	<p>The Company may receive the consideration, if any, for the share on any sale or other disposition thereof and the person to whom such share is sold or disposed of may be registered as the holder of the share and shall not be bound to see to the application of the consideration, if any, nor shall his title to the share be affected by irregularity or invalidity in the proceedings in reference to the forfeiture, sale or other disposal of the share.</p>	<b>Title of purchaser and allottee of forfeited shares</b>



61.	The provisions of these Articles relating to forfeiture of shares shall mutatis mutandis apply to the calls on any other securities including debentures of the Company.	<b>Provisions as to forfeiture to apply mutatis mutandis</b>
<b>TRANSFER AND TRANSMISSION OF SHARES</b>		
62.	Subject to the provisions of the Act, the shares or debentures and any interest therein of the Company shall be freely transferable.	<b>Transfer of Shares</b>
63.	The Board shall not register a transfer of securities of the Company held in physical form, unless a proper instrument of transfer, in the form prescribed under the Companies (Share Capital and Debentures) Rules, 2014, duly stamped, dated and executed by or on behalf of the transferor and the transferee and specifying the name, address and occupation, if any, of the transferee has been delivered to the Company by the transferor or the transferee, along with the certificate relating to the securities, or if no such certificate is in existence, along with the letter of allotment of securities, provided that where the instrument of transfer has been lost or the instrument of transfer has not been delivered within the prescribed period, the Company may register the transfer on such terms as to indemnity as the Board may think fit. Provided further that nothing in this Article shall prejudice any power of the Company to register as security holder any person to whom the right to any securities of the Company has been transmitted by operation of law.	<b>Register of Transfer</b>
64.	The instrument of transfer shall be in writing and all provisions of the Act and statutory modification thereof for the time being shall be duly complied with in respect of all transfer of shares and registration thereof. Every such instrument of transfer shall be signed both by the transferor and the transferee and the transferor shall be deemed to remain the holder of such share until the name of the transferee is entered in the Register of Members in respect thereof.	<b>Instrument of Transfer</b>
65.	An application for the registration of a transfer of the shares of the Company may be made either by the transferor or the transferee. Where the application is made by the transferor and relates to partly paid shares, the transfer shall not be registered unless the Company gives	<b>Application for Transfer</b>



	notice in the format prescribed of the application to the transferee and the transferee makes no objection to the transfer within 2(two) weeks from the receipt of the notice.	
66.	The provisions of the Act, regarding powers to refuse registration of transfer and appeal against such refusal shall be applicable to transfer of shares.	<b>Refusal of Registration of Transfer</b>
67.	The Board may decline to recognize any instrument of transfer unless: a) the instrument of transfer is in the form prescribed in the Companies (Share Capital and Debentures) Rules, 2014; b) the instrument of transfer is accompanied by the certificate of shares which it relates, and such other evidence as the Board may reasonably require, to show the right of the transferor to make the transfer; c) the instrument of transfer is in respect of only one class of shares.	<b>Board may refuse to recognize instrument of Transfer</b>
68.	A transfer of a security in the Company of a deceased member thereof made by the 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.	<b>Transfer by legal representative</b>
69.	The instrument of transfer shall after registration be retained by the Company and shall remain in its custody. All instruments of transfer which the Board may decline to register shall on demand be returned to the persons depositing the same. The Directors may cause to be destroyed all transfer deeds lying with the Company for a period of 10 years or more.	<b>Custody of Transfer</b>
70.	If the Company refuses to register the transfer of any share, it shall within 30 days from the date on which the instrument of transfer was delivered to the Company, send notice along with the reasons thereof for refusal to the transferor and the transferee.	<b>Notice of refusal to be given to the transferor and transferee</b>
71.	The executors or administrators of a deceased member or a holder of a succession certificate shall be the only person whom the Company will be bound to recognize as having any title to the shares registered in the name of the deceased member except in case of joint holders, in which case the surviving holder shall be the only person entitled to be so recognized. The Company shall not be bound to recognize an executor or administrator unless such executor or administrator shall have first obtained	<b>Title to shares and deceased holders</b>

	<p>probate or letters of administration or other legal representation as the case may be, from a duly constituted court in India or by any order or notification of Central or State government, court or authority authorized by law to grant such probate or letter of administration or other legal representation, provided that in special cases only and where it would be lawful for the Directors to do so, the Directors may dispense with the production of probate or letter of administration or succession certificate or other legal representation and upon such terms of indemnity or otherwise, register the name of any person who claims to be absolutely entitled to the security standing in the name of a deceased member, as a member.</p>	
72.	<p>Subject to the provisions of the Act and these Articles, any person becoming entitled to any share in consequence of the death, lunacy, bankruptcy or insolvency of any member or by any lawful means, other than by transfer in accordance with these presents may, with the consent of the Board of Directors (which they 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 his title as the Board of Directors shall require, either be registered as a member in respect of such shares or make such transfer of the share as the deceased or insolvent member could have made. If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects and if he elects to transfer the share, he shall testify his election by executing a transfer of the share. All the limitations, restrictions and provisions of the Act and these Articles relating to the right of transfer and registration of transfers of shares shall be applicable to any notice or transfer as set out in these Articles as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member. This Article is herein referred to as the Transmission Clause.</p>	<p><b>Registration of persons entitled to shares otherwise than by transfer (Transmission Clause)</b></p>

73.	Every transmission of a share shall be verified in such manner as the Board may require, and the Company may refuse to register any such transmission until the same be so verified or until or unless an indemnity be given to the Company with regard to such registration which the Board at their discretion shall consider sufficient, provided nevertheless that there shall not be any obligation on the Company or the Board to accept any indemnity.	<b>Board may require evidence of transmission</b>
74.	Any person becoming entitled to a share by reason of death, lunacy, insolvency or other lawful means, shall be entitled to the same dividends and other advantages to which he would be entitled as if he were the registered owner of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company, provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within 90 days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the share, until the requirements of the notice have been complied with.	<b>Claimant to be entitled to the same advantage</b>
75.	The Company shall incur no liability or responsibility whatsoever in consequence of their 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 same shares notwithstanding that the Company may have had notice 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 or required to regard or attend or give effect to any notice which may be given to them of any equitable right, title or interest, or be under any liability whatsoever for refusing or neglecting to do of 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	<b>Company not liable for disregard of a notice prohibiting registration of transfer</b>

	notice and give effect thereof, if the Board shall so think fit.	
76.	No fee shall be charged for registration of transfer, transmission, Probate, Succession Certificate and Letters of administration, Certificate of Death or Marriage, Power of Attorney or similar other document.	<b>No fee for registration</b>
77.	<p>A. Every holder of security of the Company may at any time nominate in the prescribed manner a person to whom his securities shall vest in the event of his death.</p> <p>B. Where the securities of the Company are held by more than one person jointly, the joint holders may together nominate in the prescribed manner a person to whom all the rights in the securities shall vest in the event of death of all the joint holders.</p> <p>C. Notwithstanding anything contained in any other law for the time being in force or in any depositions, whether testamentary or otherwise in respect of such shares in or debentures of the Company, where a nomination made in the prescribed manner purports to confer on any person the right to vest the securities of the Company, the nominee shall on the death of the holder of the security holder or as the case may be on the death of the joint holders, become entitled to all the rights in the securities to the exclusion of all other persons, unless the nomination is varied, cancelled in the prescribed manner.</p> <p>D. Where the nominee is a minor, it shall be lawful for the holder of the securities making the nomination to appoint, in the prescribed manner any person to become entitled to shares in or debentures of the Company in the event of the death of the nominee during the minority.</p> <p>Subject to the provisions of the Act, all other provisions of the Articles, the benefits and</p>	<b>Nomination</b>

	advantages available to the transferee shall be available to the nominee of such shares.	
78.	The provisions of these Articles relating to transfer and transmission of shares shall mutatis mutandis apply to the transfer and transmission of any other securities including debentures of the Company.	<b>Provisions as to transfer and transmission to apply mutatis mutandis</b>
<b>CONVERSION OF SHARES INTO STOCK</b>		
79.	The Company may subject to the provisions of the Act, by a resolution of the Company in General Meeting (i) convert any paid-up shares into stock; and (ii) re-convert any stock into paid-upshares of any denomination.	<b>Conversion of shares into stock and reconversion</b>
80.	The holders of stock may transfer the same or any part thereof in the same manner and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstance admit. Provided that, the Board may, from time to time, fix the minimum amount of stock transferable, however such minimum shall not exceed the nominal amount of the shares from which the stock arose.	<b>Re-conversion of stock into shares</b>
81.	The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, participation in profits, voting at meetings of the Company and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except dividends, participation in 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 that privilege or advantage.	<b>Rights of stockholders</b>
82.	Such of the regulations and Articles of the Company as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder” in those regulations shall include “stock” and “stockholder” respectively.	<b>Applicability of Articles</b>
<b>TERMS OF ISSUE OF DEBENTURES</b>		
83.	Any debentures, debenture-stock or other securities may be issued at premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination, either wholly or partly, and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, right of debenture holder to attend (but not vote) at	<b>Terms of Issue</b>

	the General Meeting of the Company, appointment of Directors and otherwise. Debentures with the right to conversion into shares, wholly or in part, shall be issued only with the consent of the Company in the General Meeting The Company shall comply with all the provisions of the Act and the conditions specified in the Rules in this regard.	
84.	Any bonds, debentures, debenture stock or other securities issued or to be issued by the Company shall be under the control of the Board 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.	<b>Bonds, debentures etc. to be subject to control of Directors</b>
85.	Debentures or debenture-stock, bonds or other securities may be made assignable free from any equities between the company and the person to whom the same may be issued.	<b>Securities may be assignable free from equities</b>
86.	The Company shall in addition to any other meetings of the members hold a general meeting as its 'Annual General Meeting' at the intervals and in accordance with the provisions of the Act. Every Annual General Meeting shall be called for at a time during business hours (between 9 A.M. to 6 P.M.) and on such day (not being a national holiday) as the Directors may determine and it shall be held either at the Registered Office of the Company or at some other place within the city where the Registered office of the Company is located. The notice calling the meeting shall specify it as the Annual General Meeting.	<b>Annual General Meeting</b>
87.	All General Meetings other than Annual General Meetings shall be called Extraordinary General Meetings.	<b>Extraordinary General Meetings</b>
88.	The Board of Directors may call an Extraordinary General Meeting whenever they think fit. If at any time, the Directors capable of acting, who are sufficient in number to form a quorum are not within India, any Director or any two members may call an Extraordinary General Meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.	<b>Board may call Extraordinary General Meeting</b>
89.	Subject to the provisions of the Act, an EGM can be called by requisitionist as and when necessary and shall be held in the same manner in which meetings are called for and held by the Board.	<b>Calling of Extraordinary General Meeting on requisition</b>



90.	All provisions of the Act and the Rules made thereunder regarding Notice of the Meeting and explanatory statement shall apply to the Company.	<b>Provisions for General Meetings</b>
91.	<p>A General Meeting of the Company may be called by giving not less than 21 days' notice either in writing or through electronic mode in such manner as prescribed under the Act and the Companies (Management and Administration) Rules, 2014; provided that a General Meeting may be called after giving a shorter notice if consent is given in writing or by electronic mode by not less than 95% of the members entitled to vote at such meeting.</p> <p>The accidental omission to give any such notice to or the non- receipt by any member or other person to whom it should be given shall not invalidate the proceedings of the meeting.</p>	<b>Notice of Meeting</b>
<b>PROCEEDINGS AT GENERAL MEETING AND ADJOURNMENT OF MEETING</b>		
92.	<p>The quorum for a General Meeting shall be:</p> <p>(i) 5 members personally present if the number of members as on the date of meeting is not more than 1000;</p> <p>(ii) 15 members personally present if the number of members as on the date of meeting is more than 1000 but up to 5000;</p> <p>(iii) 30 members personally present if the number of members as on the date of the meeting exceeds 5000.</p> <p>No business shall be transacted at any General Meeting unless the requisite quorum is present at the commencement of business.</p>	<b>Quorum at General Meeting</b>
93.	If within half an hour after the time appointed for the holding of a General Meeting, a quorum is not present, the meeting which is convened on the requisition of shareholders shall be dissolved and in every other case shall stand adjourned to the same day in the next week at the same time and place or to such other day, time and place as the Board of Directors may determine. If at such adjourned meeting a quorum is not present within half-an-hour, those members present shall be a quorum and may transact the business for which the meeting was called.	<b>Proceedings when quorum not present</b>



94.	No business shall be transacted at any adjourned meeting other than the business which might have been transacted at the meeting from which the adjournment took place.	<b>Business at adjourned meeting</b>
95.	The Chairman (if any) of the Board of Directors shall, if willing, preside as Chairman at every General Meeting of the Company, but if there be no such Chairman, or in case of his absence or refusal, the Co- Chairperson of the Board of Directors shall, if willing, preside as Chairman at such meeting and if there be no such Co- Chairperson or if the Co- Chairperson is not present within 15 minutes after the time appointed for holding the meeting, or is unwilling to act as Co- Chairperson, any Director present shall be chosen as the Chairperson of the Meeting.	<b>Chairman of Directors or Co- Chairperson or a Director to be Chairperson of General Meeting</b>
96.	If at any meeting a quorum of members shall be present, and the Chair shall not be taken by the Chairman of the Board or by the Co-Chairperson or by a Director at the expiration of 15 minutes from the time appointed for holding the meeting or if before the expiration of that time all the Directors shall decline to take the Chair, the members present by show of hands or poll or electronically shall choose one of them to be the Chairman of the meeting.	<b>In case of absence of Chairman or Co-Chairperson or Director</b>
97.	No business shall be discussed at any General Meeting except the election of a Chairman whilst the Chair is vacant.	<b>Business confined to election of Chairman whilst Chair vacant</b>
98.	In case of equality of votes, the Chairman of the meeting shall have a second or casting vote.	<b>Casting Vote</b>
99.	The Chairman may with the consent of any meeting at which a quorum is present, and shall if so directed by the meeting, adjourn any meeting from time to time and place to place.	<b>Chairman with consent may adjourn meeting</b>
100.	When a meeting is adjourned for 30 days or more, notice of the adjournment of the business to be transacted at an adjourned meeting is to be given to the members. Save as aforesaid and as provided in the Act, it shall not be necessary to give any notice of the adjournment or of the business to be transacted at an adjourned meeting.	<b>Notice to be given where a meeting adjourned for 30 days or more</b>
101.	At any General Meeting a resolution put to the vote of the meeting shall, unless a poll is demanded or the voting is carried out electronically, be decided on a show of hands.	<b>Voting by show of hands</b>

	Voting by show of hands would not be allowed in case the voting is already carried out electronically.	
102.	Before or on the declaration of the result of the voting on any resolution on 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 the members present in person or by proxy, where allowed, and holding such number of shares or voting rights as may be prescribed by the Act and the Rules. The demand for a poll may be withdrawn at any time by the person or persons who made the demand.	<b>Demand for poll</b>
103.	A poll shall be demanded forthwith for adjournment of the meeting or appointment of Chairman of the meeting, or any other matter as may be prescribed in the Act or the Rules.	<b>Matters on which poll shall be taken forthwith</b>
104.	A poll demanded on any question other than adjournment of the meeting or appointment of Chairman shall be taken at such place within the city where the registered office of the Company is located and at such time not being later than 48 hours from the time when the demand was made, as the Chairman may direct. Subject to the provisions of the Act, the Chairman of the meeting shall have power to regulate the manner in which a poll shall be taken 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.	<b>Time and manner of taking poll</b>
105.	The Company shall cause minutes of all proceedings of every General Meeting to be prepared, signed and kept in accordance with the provisions of Section 118 of the Act. Such minutes shall be evidence of the proceedings recorded therein.	<b>Minutes of General Meeting</b>
106.	The book containing the minutes of the proceedings of any General Meeting or of a resolution passed by postal ballot shall be kept at the registered office and be open during business hours to the inspection of any member without charge between 11 am to 1 pmon all working days and subject to such reasonable restrictions as the Company may impose in accordance with the provisions of the Act. Any member shall be entitled to be furnished within 7 working days after he has made a request in that behalf to the Company with a copy of the minutes on payment of the fee as may be fixed	<b>Inspection of minute books of General Meeting</b>

	by the Board, subject to the Act.	
107.	Any record, register, minutes or other document, required to be kept or allowed to be inspected or give copies to any member, may be kept, inspected or given in electronic form, subject to the provisions of the Act.	<b>Maintenance and Inspection of documents in electronic form</b>
<b>VOTES OF MEMBERS</b>		
108.	Subject to the provisions of the Act and these Articles, votes may be given either personally or by an attorney or by proxy or in the case of a body corporate also by a representative duly authorized under the Act.	<b>Votes may be given by proxy or attorney</b>
109.	Subject to the provisions of the Act and the Rules, every member present, voting by a show of hands shall have one vote and every member present personally or by proxy shall have one vote for every share held by him. A member can also cast his vote by electronic means in accordance with the provisions of the Act and the Rules. The members of the Company holding any preference share capital shall in respect of such capital have a right to vote only on resolutions placed before the Company which directly affect the rights attached to the preference shares.	<b>Number of votes to which Members entitled</b>
110.	<p>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 the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:</p> <p>Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.</p>	<b>Voting by proxy</b>
111.	Any one of two or more joint-holders may vote at any meeting, either personally or by attorney duly authorized under a power of attorney or by proxy in respect of such share as if he were solely entitled thereto and if more than one of such joint-holders be present at any meeting personally or by proxy or by attorney then that one of such persons so present, whose name stands first or higher (as the case may be) on the register in respect of such share, shall alone be entitled to vote in respect thereof. Provided	<b>Vote by joint holders</b>

	always that a joint- holder present at any meeting personally shall be entitled to vote in preference to a joint-holder present by an attorney duly authorized under power of attorney or by proxy although the name of such joint- holder present by an attorney or proxy stands first or higher as the case may be in the register in respect of such shares.	
112.	A member of unsound mind or in respect of whom an order has been made by any court having jurisdiction may vote, whether on a show of hands or on a poll, by his committee or legal guardian and such committee or legal guardian may on poll vote by proxy.	<b>Vote by member of unsound mind</b>
113.	A member who is a minor may vote in respect of his share or shares through his guardian.	<b>Vote by minor</b>
114.	Subject to the provisions of the Act, a member shall not be entitled to vote at any General Meeting either personally or by proxy or by attorney or be reckoned in a quorum whilst any call or other sum shall be due and payable to the Company in respect of any of the shares of such member.	<b>Member not to vote unless calls are paid up</b>
115.	Subject to the provisions of the Act, any member 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; but a proxy so appointed shall not have any right to speak at the meeting and shall not be entitled to vote except on a poll.	<b>Proxies</b>
116.	Every proxy shall be appointed by an instrument in writing in the form prescribed under the Companies (Management and Administration) Rules, 2014, 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 an officer or an attorney duly authorized by it.	<b>Appointment of proxy</b>
117.	The instrument appointing a proxy or any other document necessary to show the validity or relating to appointment of a proxy shall be deposited at the office of the Company not less than 48 hours before the time for holding the meeting at which the person named in the instrument proposes to vote or in case of a poll, not less than 24 hours before the time appointed for taking of a poll, and in default the instrument of proxy shall not be treated as valid.	<b>Deposit of instrument of appointment</b>

<b>DIRECTORS</b>		
118.	The number of Directors shall not be less than 3 and not more than 15. Provided that the Company may increase the maximum number of directors by passing a special resolution.	<b>Number of Directors</b>
119.	First Directors of the Company:  1. Mr. Hemant Dharnidharka 2. Mrs. Preeti Saraogi	<b>First Directors</b>
120.	Subject to the provisions of the Act, the Board of Directors shall have powers at any time and from time to time to appoint a person as an Additional Director, provided that the total number of directors shall not at any time exceed the maximum number fixed. Any such Additional Director shall hold office only up to the date of the next Annual General Meeting or the last date, on which the Annual General Meeting should have been held, whichever is earlier.	<b>Appointment of Additional Director</b>
121.	The Board shall comprise of required number of Independent Directors subject to the provisions of the Act and the Rules prescribed thereunder.	<b>Appointment of Independent Directors</b>
122.	The Board of Directors of the Company may appoint an Alternate Director to act for a director (original director) during his absence for a period of not less than 3 months from India and such alternate director whilst he holds office as an Alternate Director shall be entitled to notice of meetings of the Directors and to attend and vote thereat accordingly. An Alternate Director appointed under this Article shall not hold office as such for a period longer than that permissible to the original Director in whose place he has been appointed and shall vacate office if and when the original Director returns to India. If the term of office of the original Director is determined before he so returns to India, any provision in the Act or in these Articles for the automatic reappointment of retiring Directors in default of another appointment shall apply to the original Director and not the Alternate Director.	<b>Appointment of Alternate Director</b>
123.	The Company shall, subject to provisions of the Act, be entitled to agree with any person, firm, body corporate, corporation or institution that he or it shall have the right to appoint/remove his or its nominee on the Board of Directors of the Company upon such terms and conditions as the	<b>Nominee Directors</b>

	Company may deem fit. Such nominee and their successors in office appointed under this Article shall be called Nominee Directors of the Company. The Nominee Directors shall be entitled to hold office until requested to retire by the person, firm, body corporate, corporation who may have appointed him/them. A Nominee Director shall be entitled to the same, rights and privileges and be subject to the same obligation as any other director of the Company.	
124.	Subject to the provisions of the Act, any casual vacancy occurring in the office of a Director, who was appointed in the General Meeting, whose period of office is liable to determination by retirement by rotation and he vacates such office before his term expires in the normal course may be filled up by the Directors at a meeting of the Board. Any person so appointed shall hold office only up to the date up to which the Directors in whose place he is appointed would have held office, if the vacancy had not occurred.	<b>Casual Vacancy</b>
125.	The remuneration of a Director for his services shall be such a sum as may be fixed by the Board of Directors for each meeting of the Board or Committee thereof, attended by him not exceeding the maximum permissible amount as may be prescribed by the Act. Each Director shall be entitled to be paid his reasonable traveling and other expenses incurred by him in attending and returning from meetings of the Board or Committee of the Company or incurred in connection with the business of the Company.	<b>Remuneration of Directors</b>
126.	If any Director, being willing, shall be called upon to perform extra services, or to make any special exertions in going or residing out of Bangalore or otherwise for any of the purpose of the Company, the Company shall subject to the limitation provided by the Act compensate such Director either by a fixed sum or by a percentage of profits or otherwise as may be determined by the Directors and such remuneration may be either in addition to or in substitution for his remuneration above provided.	<b>Special remuneration to Director on Company's business or otherwise performing extraservices</b>
127.	The continuing Directors may act notwithstanding any vacancy in the Board, however if the number of the continuing directors falls below the minimum number fixed by the Act or these Articles for a meeting of the Board, the continuing Directors may act for the	<b>Directors may act not withstanding vacancy</b>



	purpose of increasing the number of directors to that fixed for a quorum or for summoning a General Meeting of the Company.	
128.	Subject to the provisions of the Act, a Director may resign from his office at any time by notice in writing addressed to the Company or to the Board of Directors.	<b>Resignation</b>
129.	All provisions of the Act dealing with vacation of office and removal of a director shall apply to the Company.	<b>Vacation of office and removal</b>
130.	Subject to the provisions of the Act and the Rules, no Director shall be disqualified by his office from contracting with the Company either as vendor, purchaser, agent, broker or otherwise, nor shall any such contract or arrangement entered into by or on behalf of the Company in which any Director shall be in any way interested, be avoided nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realized by any 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 must be disclosed by him as provided in these Articles as required in accordance with the provisions of the Act.	<b>Directors may contract with Company</b>
131.	The company may exercise the powers conferred on it by section 88 with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section) make and vary such regulations as it may think fit respecting the keeping of any such register.	<b>Keeping of Registers</b>
132.	Every Director shall at the first meeting of the Board in which he participates as a director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the disclosures already made, then at the first Board meeting held after such change, disclose his concern or interest in any company or companies or bodies corporate, firms, or other association of individuals which shall include the shareholding, in such manner as may be prescribed under the Act.	<b>Disclosure of interest</b>
133.	A Director of the Company may be, or become a Director of any company promoted by the Company or in which it may be interested as a vendor, member or otherwise, subject to the provisions of the Act and these Articles. No such director shall be accountable for any benefit	<b>Directors may be Directors of Companies promoted by the Company</b>



	received as Director or shareholder of such company.	
134.	The Directors shall not hold directorships in companies or other body corporate, exceeding such number as may be prescribed by the Act.	<b>Number of Directorships</b>
135.	A Director may hold office or place of profit or enter into related party transactions to the extent permissible, subject to the provisions of the Act and the rules made thereunder.	<b>Office of profit / Related Party Transactions</b>

<b>RETIREMENT AND ROTATION OF DIRECTORS</b>		
136.	The provision relating to Retirement of Rotation of Directors shall be governed as per the provisions of the Act except in so far as the same are expressly made applicable in these Articles.	<b>Retirement by rotation</b>
137.	An Independent Director on the Board shall not be liable to retire by rotation and the total number of directors whose office is liable to determination by retirement by rotation shall not include Independent Directors.	<b>Independent Directors not to retire by rotation</b>
138.	Subject to the provisions of the Act and these Articles, the retiring Director shall be eligible for re-appointment.	<b>Eligibility for re-appointment</b>
139.	Subject to the provisions of the Act and these Articles, the Company, at the Annual General Meeting at which a Director retires in the manner aforesaid may fill up the vacated office by electing the retiring Director or some other person thereto.	<b>Company to fill up vacancy</b>
140.	<p>If the place of the 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 national holiday, till the next succeeding day which is not a national holiday, at the same time and place.</p> <p>If at the adjourned meeting also, the place of the retiring director is not filled up and that 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:</p> <p>(a) at the meeting or at the previous meeting a resolution for the reappointment of such director has been put to the meeting and lost;</p>	<b>Provisions in default of appointment</b>

	<p>(b) the retiring director has, by a notice in writing addressed to the Company or its Board of Directors expressed his unwillingness to be so reappointed;</p> <p>(c) he is not qualified or is disqualified for appointment;</p> <p>A resolution whether special or ordinary is required for the appointment or reappointment by virtue of the provisions of the Act;</p>	
<b>PROCEEDINGS OF BOARD OF DIRECTORS</b>		
141.	<p>The Directors may meet together as a Board for the dispatch of business, adjourn and otherwise regulate its meetings and proceedings, as it thinks fit, from time to time and shall so meet in a manner that not more than 120 days shall intervene between two consecutive meetings of the Board. The provisions of the Article shall not be deemed to be contravened merely by reason of the fact that a meeting of the Board which had been called in compliance with the terms herein mentioned could not be held for want of a quorum. The participation of directors in a meeting of the Board may be either in person or through video conferencing or audio-visual means as prescribed under the Companies (Meetings of Board and its Powers) Rules, 2014 except where the meeting is for considering matters which are not permitted by the Act or the Rules to be dealt with by video-conferencing or other audio-visual means.</p>	<b>Meetings of Directors</b>
142.	<p>In accordance with the provisions of the Act, at least seven days' notice of every meeting of the Board of Directors of the company shall be given in writing, either by hand delivery, or post or electronic means to every director in India and at his usual address in India to every other director. However a meeting of the Board may be called at shorter notice to transact urgent business subject to the condition that at least one independent director, if any, shall be present at the meeting provided that in case of absence of independent directors from such a meeting of the Board, decisions taken at such a meeting shall be circulated to all the directors and shall be final only on ratification thereof by at least one independent director, if any.</p>	<b>When meeting to be convened</b>

143.	The quorum for a meeting of the Board of Directors shall be as per the provisions of the Act and the rules made thereunder. The participation of directors by video conferencing or other audio visual means shall also be counted for the purpose of quorum. A meeting of the Board of Directors for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions by or under the Act or the Articles of the Company, for the time being vested in or exercisable by the Board of Directors generally.	<b>Quorum</b>
144.	Subject to the provisions of the Act, if at any meeting of the Board no Independent Director is present, the decisions taken at the meeting shall be considered final only on circulation and ratification by at least one Independent Director.	<b>Presence of Independent Directors at the meeting of the Board</b>
145.	If a meeting of the Board cannot be held for want of quorum, then the meeting shall stand adjourned to such day, time and place as the Director or Directors present at the meeting may fix.	<b>Adjournment of meeting for want of quorum</b>
146.	The Chairman of the Company shall be the Chairman of the Board meetings. If the Chairman is not present within 15 minutes of the time for holding the meeting, then the directors shall choose one of the Directors present to conduct the proceedings of the meeting.	<b>Chairman</b>
147.	Subject to the provisions of the Act and the Articles, the Board may delegate any of their powers to Committees consisting of such member or members of their body as they think fit and they may from time to time revoke and discharge any such Committee, either wholly or in part, and either to persons or purposes but every committee so formed shall in the exercise of the powers so delegated conform to any regulations that may from time to time be incurred on it by the Board. The Board shall form all such committees as are mandatorily required to be constituted under the Act or the Rules. All acts done by any such Committee in conformity with such regulations and in fulfillment of the purposes of their appointment shall have the like force and effect as if done by the Board.	<b>Board of Directors may appoint Committees</b>

148.	The meetings and proceedings of any such Committee consisting of such number of directors as determined by the Board shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Board of Directors, so far as the same are applicable thereto. The Committee may meet and adjourn as it thinks fit.	<b>Meetings of Committees how to be governed</b>
149.	The members of the Committee may elect a chairman for its meetings unless the Board has appointed a Chairperson of the Committee while constituting such committee. If no such chairman is elected, or if the Chairman is not present within fifteen minutes after the time appointed for holding the meeting, the members present may choose one amongst themselves to be the Chairman of the Meeting.	<b>Chairman of the Committee</b>
150.	Subject to the provisions of the Act, the Board may from time to time fix the remuneration to be paid to any member or members of their body constituting a Committee appointed by the Board in terms of these Articles, and may pay the same.	<b>Remuneration of the Members of the Committee</b>
151.	<p>A. A resolution passed by circular without a meeting of the Board or a Committee of the Board appointed under the Act or the Articles shall subject to the provisions hereof and the Act, be valid and effectual as a resolution duly passed at a meeting of the Board or of a Committee duly called and held.</p> <p>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 the necessary papers, if any, to all the Directors, or members of the committee, as the case may be, at their addresses registered with the Company in India by hand delivery or by post or by courier, or through prescribed electronic means and has been signed, whether manually or electronically, by a majority of the directors or members, who are entitled to vote on the resolution, provided that, where not less than one-third of the total number of Directors of the Company for the time being require that any resolution under circulation must be decided at a meeting, the</p>	<b>Resolution by Circular</b>

	<p>Chairman shall put the resolution to be decided at a meeting of the Board. A circular resolution shall be noted at a subsequent meeting of the Board or committee, as the case may be, and made part of the minutes of such meeting.</p> <p>C. Subject to the provisions of the Act, a statement signed by a Director or officer of the Company or other person authorized in that behalf by the Directors certifying the absence from India of any Director shall for the purpose of this Article be conclusive.</p>	
152.	Subject to the provisions of the Act and these Articles, 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 such Directors or person acting as aforesaid, or that they or any of them were or was disqualified or that his or any of their appointment had been terminated, be as valid as if every such person, had been duly appointed and was qualified to be a Director.	<b>Acts of Board or Committees valid notwithstanding defect of appointment</b>
153.	The Company shall cause minutes of the meetings of the Board of Directors and of Committees of the Board to be duly entered in a book or books provided for the purpose in accordance with the relevant provisions of the Act. The minutes shall contain a fair and correct summary of the proceedings at the meeting.	<b>Minutes of proceedings of Board of Directors and Committees to be kept</b>
154.	All such minutes shall be signed by the Chairman of the meeting as recorded, or by the person who shall preside as Chairman at the next succeeding meeting and all minutes purported to be so signed shall for the purposes whatsoever be prima facie evidence of the actual passing of the resolutions recorded, and the actual and regular transaction or occurrence of the proceedings so recorded and of the regularity of the meeting at which the same shall appear to have taken place.	<b>By whom minutes to be signed and the effect of minutes recorded</b>

<b>POWERS OF THE BOARD OF DIRECTORS</b>		
155.	<p>Subject to the provisions of the Act and these Articles the Board of Directors of the Company shall be entitled to exercise all such powers and to do all such acts and things, as the Company is authorized to exercise and do; provided that the Board shall not exercise any power or do any act or thing which is directed or required by the Act or by the Memorandum or these Articles or otherwise, to be exercised or done by the Company in General Meeting. Provided further that in exercising any such power or doing any such act or thing the Board shall be subject to the provisions contained in that behalf in the Act or in the Memorandum or in these Articles or in any regulation not inconsistent therewith duly made thereunder including regulations made by the Company in General Meeting. 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.</p>	<b>General powers of the Directors</b>
<b>MANAGING DIRECTOR AND WHOLE TIME DIRECTOR</b>		
156.	<p>Subject to the provisions of the Act, the Directors may, from time to time appoint one amongst themselves to be the Managing Director and/ or Whole Time Director of the Company.</p>	<b>Power to appoint Managing Director / Whole Time Director</b>
157.	<p>Subject to the provisions of the Act and these Articles, a Managing Director shall not, while he continues to hold that office, be subject to retirement by rotation under these Articles and he shall not be taken into account in determining the rotation of retirement of Directors but he shall, subject to the provision of any contract between him and the Company, be subject to the same provisions as to resignation and removal as the other Directors of the Company and he shall ipso facto and immediately cease to be a Managing Director if he ceases to hold the office of Director for any cause. Provided that if at any time the number of Directors (including Managing Director) as are not subject to retirement by rotation shall exceed one-third of the total number of the directors for the time being then such Managing Director or Managing Directors as the Board of Directors shall from time to time select shall be liable to retirement</p>	<b>What provision the Managing Director shall be subject to</b>



	by rotation in accordance with these Articles to the intent that the Directors not liable to retirement by rotation shall not exceed one-third of the total number of Directors for the time being.	
158.	The remuneration of the Managing Director (subject to applicable provisions of the Act and these Articles and of any contract between him and the Company) shall from time to time be fixed by the Board and may be by way of fixed salary or at a specified percentage of the net profits of the Company or partly by one way and partly by the other.	<b>Remuneration of Managing Director or Whole Time Director</b>
159.	Subject to the supervision and control of the Board of Directors the day-to-day management of the Company shall be in the hands of the Managing Director. The Board may from time to time entrust to and confer upon the Managing Director & Whole Time Director for the time being subject to the provisions of these Articles and the Act such powers exercisable under these Articles by the Board as they may think fit and may confer such powers of 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 subject to the provisions of the Act and these Articles confer such powers either collaterally with or to the exclusion of any in substitution for all or any of the powers of the Directors in that behalf and may from time to time revoke, withdraw, alter or vary all or any such powers.	<b>Powers and duties of Managing Director or Whole Time Director</b>
<b>CHIEF EXECUTIVE OFFICER, COMPANY SECRETARY AND CHIEF FINANCIAL OFFICER</b>		
160.	Subject to the provisions of the Act and the Rules (i) a chief executive officer, manager, company secretary and chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as the Board may think fit; and any chief executive officer, manager, company secretary and chief financial officer so appointed may be removed by means of a resolution of the Board; (ii) a Director may be appointed as chief executive officer, manager, company secretary or chief financial officer, the Board may appoint one or more CEOs for its multiple businesses.	<b>Chief Executive Officer, Manager, Company Secretary and Chief Financial Officer</b>



<b>REGISTERS, BOOKS &amp; DOCUMENTS</b>		
161.	<p>A. The Company shall maintain Registers, Books and Documents as required by the Act in physical or electronic form at its registered office or such other place as the Board may decide.</p> <p>B. The Registers, Books and Documents shall be maintained in conformity with the applicable provision of the Act and shall be kept open for inspection by such persons as may be entitled thereto respectively under the Act on such days and during such business hours as may, in that behalf be determined in accordance with the provisions of the Act or these Articles and extracts shall be supplied to the persons entitled thereto in accordance with the provisions of the Act or these Articles.</p>	<b>Registers, Books and Documents</b>
<b>THE COMMON SEAL</b>		
162.	The Board of Directors shall provide a Seal for the purpose of the Company, and shall have power from time to time to destroy the same and substitute the Seal in lieu thereof and the Board of Directors shall provide for the safe custody of the Seal.	<b>Common Seal</b>
163.	Every deed or other instrument, to which the Seal of the Company is required to be affixed, be signed in the presence of at least one director who shall sign every instrument to which the seal of the Company is so affixed. The share certificate will, however, be signed and sealed in accordance with Rule 5 of the Companies (Share Capital and Debentures) Rules, 2014.	<b>Affixation of Seal</b>
<b>DIVIDENDS</b>		
164.	The profits of the Company subject to any special rights relating thereto created or authorized to be created by the Memorandum or these Articles and subject to the provisions of these Articles shall be divisible among the members in proportion to the amount of capital paid-up on the shares held by them respectively. No dividend shall be declared or paid by the Company from its reserves other than its free reserves.	<b>Division of profit</b>

165.	The Company in General Meeting may subject to provisions of the Act declare a dividend to be paid to the members according to their respective rights and interest in the profits and subject to the provisions of the Act may fix the time for payment.	<b>The Company in General Meeting may declare dividend</b>
166.	No dividend shall be declared in excess of that is recommended by the Board but the Company in General Meeting may declare a lesser dividend. No dividend shall be payable except out of the profits of the Company for that year or otherwise in accordance with the Act and no dividend shall carry interest as against the Company.	<b>Power of Board to limit dividends</b>
167.	In case of inadequacy or absence of profits in any financial year, the company may declare dividend out of the accumulated profits earned by it in the previous years and transferred by the company to the reserves in accordance with the provisions of the Act and the Rules.	<b>Inadequacy or absence of profits</b>
168.	The Board may before recommending any dividend, set aside out of profits of the company such sums as it thinks fit as a reserve or reserves, which shall at the discretion of the Board be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalizing dividends, 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 Board may, from time to time, think fit.	<b>Transfer of profits to reserves</b>
169.	The Board may carry forward profits which it may consider not to divide, without setting them aside as a reserve.	<b>Carry forward of profits</b>
170.	Subject to the provisions of the Act, the Board may from time to time, pay to the members such interim dividends of such amount on such class(es) of shares and at such times, as in the judgment of the Board, the position of the Company justifies.	<b>Interim Dividend</b>
171.	A transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer.	<b>Transfer of shares must be registered</b>

172.	Any dividend may be paid by electronic mode or by cheque or warrant sent through post to the registered address of the member or in case of joint holders to the registered address of that one of them who is first named in the register of members or to such person and to such address as the holder or joint holders may in writing direct.	<b>Dividend how remitted</b>
173.	The waiver in whole or in part of any dividend on any share by any document, shall be effective only if such document is signed by the member and delivered to the company and if or to the extent that the same is accepted as such or acted upon by the Board.	<b>Waiver of dividend</b>
174.	<p>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 the dividend, the Company shall within 7 days from the date of expiry of the period of 30 days, open a special account in that behalf in any scheduled bank called "Unpaid Dividend Account of DHARNI CAPITAL SERVICES LIMITED " and transfer to the said account, the total amount of dividend which remains unpaid or unclaimed.</p> <p>B. Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of 7 years from the date of such transfer, shall be transferred by the Company along with interest accrued, if any, to the Investor Education and Protection Fund established by the Central Government.</p> <p>No unclaimed or unpaid dividend shall be forfeited by the Board.</p>	<b>Unpaid / Unclaimed dividend</b>
<b>CAPITALISATION AND CAPITAL APPRECIATION AND RESERVE</b>		
175.	A. The Company at any General Meeting may, upon the recommendation of the Board resolve that (i) it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the profit and loss account or otherwise available for distribution; and	<b>Capitalization, Issue of Bonus Shares</b>

	<p>(ii) such sum be accordingly set free for distribution in the manner specified below amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.</p> <p>B. The sum aforesaid shall not be paid in cash but shall be applied towards (i) paying up any amounts for the time being unpaid on any shares held by the members respectively; (ii) paying up in full unissued shares of the Company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid; (iii) partly by way of (i) and partly by way of (ii).</p> <p>C. A securities premium account and a capital redemption reserve account may for the purposes of this Article be applied in the paying up of unissued shares to be issued to the members of the Company as fully paid-up bonus shares. The Board shall give effect to the resolution passed by the Company in pursuance of this Article.</p> <p>D. Whenever such a resolution shall have been passed, the Board shall (i) make all appropriations and applications of the undivided profits resolved to be capitalized thereby, and all allotments and issues of fully paid up shares if any; and (ii) generally do all acts and things required to give effect thereto.</p> <p>E. The Board shall have the power to (i) make such provisions, by issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and (ii) 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 require for</p>	
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	<p>the payment by the Company on their behalf by the application thereto of their respective proportions of profits resolved to be capitalized of the amount or any part of the amounts remaining unpaid on their existing shares. Any agreement made under such authority shall be effective and binding on the members.</p>	
<b>ACCOUNTS</b>		
176.	<p>A. The Company shall keep at its registered office or at such other place in India as the Board of Directors may think fit, proper books of account in physical or electronic form pursuant to the Companies (Accounts) Rules, 2014 with respect to such items as provided by the Act and Rules.</p> <p>B. If the Company shall have a branch office, whether in or outside India, proper books of account relating to the transactions effected at the office shall be kept at that office and proper summarized returns, made up to date at intervals as may be determined by the Board, shall be sent by the branch office to the Company at its registered office or other place in India, as the Board thinks fit, where the main books of the Company are kept.</p> <p>C. All the aforesaid books shall give a true and fair view of the affairs of the Company or of its branch office, as the case may be, with respect to the matters aforesaid, and explain its transactions.</p> <p>D. The books of account shall be open to inspection by any Director during business hours by any Director, Registrar or any officer of Government authorised by the Central Government in this behalf; and if in the opinion of the Registrar or such officer, sufficient cause exists for the inspection of the books of account.</p> <p>E. No member (not being a director) shall have any right of inspecting any account or book or documents of the company, except as authorized by the Board or by the company in the General Meeting.</p>	<b>Books of Accounts</b>

	F. The books of account of the Company relating to a period of not less than 8 years immediately preceding the current year shall be preserved in good order.	
177.	Subject to the provisions of the Act, the financial statements of the Company shall be in the format as specified in the Act and Schedule thereto, or as near thereto as circumstances admit. The items contained in such financial statements shall be in accordance with the accounting standards.	<b>Financial Statements</b>
<b>AUDIT</b>		
178.	Once at least in every year the accounts of the Company shall be balanced and audited and the correctness of the financial statements ascertained by one or more auditor or auditors.	<b>Audit</b>
179.	The appointment, rights, obligations, duties, resignation and removal of auditors shall be governed by the provisions of the Act and the Rules framed thereunder.	<b>Appointment, Resignation and Removal of Auditors</b>
<b>WINDING UP</b>		
180.	<p>Subject to the applicable provisions of the Act and the Rules made thereunder:</p> <p>A. If the Company shall be wound up, the liquidator may with the sanction of a special resolution of the Company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the asset of the Company, whether they shall consist of property of the same kind or not.</p> <p>B. For the purpose of the aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.</p> <p>C. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.</p>	<b>Winding up</b>

<b>SECURITY CLAUSE</b>		
181.	Subject to provisions of the Act, no member shall be entitled to visit or inspect the Company's works without the permission of the Board or any matter which is or may be in the nature of a trade secret, mystery of trade or secret process which may relate to the conduct of the business of the company and which in the opinion of the Board it will be inexpedient in the interest of the members of the Company to communicate to the public.	<b>Security Clause</b>
<b>INDEMNITY AND RESPONSIBILITY</b>		
182.	<p>A. Subject to the provisions of the Act, every key managerial personnel, director and other officer or employees of the Company shall be indemnified by the Company out of the funds of the Company, to pay all the costs, losses and expenses (including traveling expenses) which any such director, key managerial personnel, officer or employee may incur or become liable for by reason of any contract entered into or act, or deed done by him in his capacity as the director, key managerial personnel, officer or employee of the Company or in any way in the discharge of his duties.</p> <p>B. Subject as aforesaid every director, key managerial personnel and other officer or employees of the Company shall be indemnified against any liability incurred by him in defending any proceeding whether civil or criminal in which judgment is given in his favor or in which he is acquitted or in connection with any application under the provisions of the Act in which relief is given to him by the Court.</p> <p>C. Subject to the provisions of the Act, no Director or key managerial personnel 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 expense happening to the Company through insufficiency or deficiency of title to any property acquired by order of the Board for or on behalf of the</p>	<b>Indemnification</b>



	<p>Company, or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested or for any loss or damage arising from the bankruptcy, insolvency, or tortious act of any person, company or corporation, with whom any moneys, securities or effects shall be entrusted or deposited or for any loss occasioned by any error or judgment or omission, default or oversight on his part or for any other loss or damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto unless the same happen through his own dishonesty.</p>	
<b>GENERAL POWERS</b>		
183.	<p>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.</p>	<b>General Powers</b>

## SECTION XI : OTHER INFORMATION

### MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following documents and contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Draft Prospectus) which are or may be deemed material will be attached to the copy of the Draft Prospectus and the Prospectus, as applicable, which will be delivered to the RoC for filing. Copies of the abovementioned documents and contracts and also the documents for inspection referred to hereunder, may be inspected at our Registered Office between 10 a.m. and 5 p.m. on all Working Days from date of the Prospectus until the Bid/ Offer Closing Date.

Any of the contracts or documents mentioned in this Draft Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the Shareholders, subject to compliance of the provisions contained in the Companies Act and other applicable law.

#### MATERIAL CONTRACTS

1. Issue Agreement dated August 24, 2022 between our Company and the Lead Manager.
2. Registrar Agreement dated August 08, 2022 between our Company and the Registrar to the Offer.
3. Banker(s) to the Issue Agreement dated [●] between our Company, the Lead Manager, Banker(s) to the Issue and the Registrar to the Issue.
4. Market Making Agreement dated [●] between our Company, the Lead Manager and Market Maker.
5. Underwriting Agreement dated [●] between our Company the Lead Manager and the Underwriters.
6. Tripartite agreement dated July 12, 2022 between our Company, NSDL and the Registrar to the Issue.
7. Tripartite agreement dated June 16, 2022 between our Company, CDSL and the Registrar to the Issue.

#### MATERIAL DOCUMENTS

1. Certified true copies of the updated Memorandum and Articles of Association of our Company, as amended from time to time.
2. Certificate of incorporation dated November 12, 2015 issued by the RoC, Karnataka at Bangalore in the name of “Dharni Online Services Private Limited”.



3. Fresh certificate of incorporation dated March 28, 2022 issued by the RoC, Karnataka at Bangalore to our Company consequent upon change in name of our Company from “Dharni Online Services Private Limited” to “Dharni Capital Service Private Limited”.
4. Fresh Certificate of incorporation dated May 17, 2022 issued by the RoC, Karnataka at Bangalore consequent upon conversion of our Company into Public Limited Company viz. “Dharni Capital Service Limited”.
5. Resolution of the Board dated August 08, 2022, authorising the Issue.
6. Resolution of the Shareholders of our Company, passed at the Extra Ordinary General Meeting held on August 10, 2022, in relation to the issue.
7. Auditor’s report for Restated Financial Statements dated August 30, 2022 included in this Draft Prospectus.
8. Copies of the Audited Financial Statements of our Company for the Financial Years ended March 31, 2022, March 31, 2021 and March 31, 2020.
9. The Statement of Possible Tax Benefits dated August 30, 2022 from our Peer Review Auditors included in this Draft Prospectus.
10. Consents of our Directors, Promoter, Company Secretary and Compliance Officer, Chief Financial Officer, Statutory Auditor, Banker(s) to the Company, Lead Manager, Legal Advisor to the Issue, Registrar to the Issue, Banker to the Issue, Underwriter and Market Maker to act in their respective capacities
11. Board resolution dated September 26, 2022 approving this Draft Prospectus and dated [●] for approval of Prospectus.
12. Due diligence certificate dated August 30, 2022 addressed to BSE and dated August 30, 2022 addressed to SEBI by Lead Manager.
13. Approval from BSE vide letter dated [●] to use the name of BSE in this Offer Document for listing of Equity Shares on the BSE SME.

Any of the contracts or documents mentioned in the Prospectus may be amended or modified at any time if so, required in the interest of our Company or if required by the other parties, without the consent of shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

## DECLARATION

We hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines or regulations issued by the Government and / or the guidelines or regulations issued by the Securities and Exchange Board of India, as the case may be, have been complied with and no statement made in this Draft Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, each as Amended, or the rules made thereunder or Guidelines / Regulations issued, as the case may be. We further certify that all statements and disclosures made in this Draft Prospectus are true and correct.

### SIGNED BY THE DIRECTORS OF OUR COMPANY

Sd/- <b>Mr. Hemant Dharnidharka</b> Managing Director DIN: 07190229	Sd/- <b>Mrs. Preeti Saraogi</b> Non-Executive Director DIN: 07339758
Sd/- <b>Maj. Gen. Jaideep Mittra (Retd.)</b> Non-Executive Independent Director DIN: 08233924	Sd/- <b>Mr. Vinay Agarwal</b> Non-Executive Independent Director DIN: 09630941

### SIGNED BY THE CFO AND CS OF OUR COMPANY

Sd/- <b>Mr. Pramod Dharnidharka</b> Chief Financial Officer	Sd/- <b>Mr. Mayank Mundhra</b> Company Secretary and Compliance Officer
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Place: Bangalore

Date: September 26, 2022