MEFCOM

ANNEXURE III

April 30, 2025

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

Dear Sir/Madam,

Re: Proposed initial public offering of equity shares of face value of ₹10 each (the "Equity Shares") of Priority Jewels Limited (the "Company", and such initial public offering, the "Issue")

We, Mefcom Capital Markets Limited, the book running lead manager to the Issue (the "**BRLM**"), who have been appointed by the Company to manage the Issue, confirm that:

(1) We have examined various documents including those relating to litigation, including commercial disputes, intellectual property rights disputes, disputes with collaborators, etc. and other material while finalizing the draft red herring prospectus dated April 30, 2025 ("**DRHP**") pertaining to the Issue. **– Complied with to the extent applicable.**

(2) On the basis of such examination and the discussions with the Company, its Directors and other officers, other agencies and independent verification of the statements concerning the objects of the Issue, price justification, contents of the documents and other papers furnished by the Company, we confirm that:

(a) the DRHP filed with the Securities and Exchange Board of India ("**SEBI**") is in conformity with the documents, materials and papers which are material to the Issue - **Complied with**;

(b) all material legal requirements relating to the Issue as specified by the SEBI, the Central Government and any other competent authority in this behalf have been duly complied with - **Complied with**; and

(c) the material disclosures made in the DRHP are true and adequate to enable the investors to make a well informed decision as to the investment in the proposed Issue and such disclosures are in accordance with the requirements of the Companies Act, 2013, as amended, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "**SEBI ICDR Regulations**") and other applicable legal requirements. - **Complied with.**

(3) Besides ourselves, all intermediaries named in the DRHP are registered with the SEBI and that till date, such registration is valid. – **Complied with and noted for compliance**.

(4) We have satisfied ourselves about the capability of the underwriters to fulfil their underwriting commitments. – **Noted for compliance**.

(5) Written consent from the Promoters have been obtained for inclusion of their Equity Shares as part of the promoter's contribution subject to lock-in and the Equity Shares proposed to form part of promoter's contribution subject to lock-in, shall not be disposed or sold or transferred by the Promoters during the period starting from the date of filing the DRHP with the SEBI until the date of commencement of lock-in period as stated in the DRHP. – **Complied with and noted for compliance**.

(6) All applicable provisions of the SEBI ICDR Regulations, which relate to Equity Shares ineligible for computation of promoter's contribution, have been and shall be duly complied with and appropriate disclosures as to compliance with the said regulation(s) have been made in the DRHP. – **Complied with and noted for compliance**.

(7) All applicable provisions of the SEBI ICDR Regulations which relate to receipt of promoter's contribution prior to opening of the Issue, shall be complied with. Arrangements have been made to ensure that the promoter's contribution shall be received at least one day before the opening of the Issue and that the auditors' certificate to this effect shall be duly submitted to the SEBI. We further confirm that arrangements have been made to ensure that the promoter's contribution shall be kept in an escrow account with a scheduled commercial bank and shall be released to the Company along with the proceeds of the Issue. – **Complied with to the extent applicable and noted for compliance**.

(8) Necessary arrangements shall be made to ensure that the monies received pursuant to the Issue are credited or transferred to in a separate bank account as per the provisions of sub-section (3) of section 40 of the Companies Act, 2013 and that such monies shall be released by the said bank only after permission is obtained from all the Stock Exchanges, and that the agreement entered into between the bankers to the Issue, and the Company specifically contains this condition. – **Noted for compliance**.

(9) The existing business as well as any new business of the Company for which the funds are being raised fall within the 'main objects' in the object clause of the Memorandum of Association or other charter of the Company and that the activities which have been carried in the last ten years are valid in terms of the object clause of the Memorandum of Association. – **Complied with to the extent applicable**.

(10) Following disclosures have been made in the DRHP:

(a) An undertaking from the Company that at any given time, there shall be only one denomination for the Equity Shares of the Company, excluding SR equity shares, where the Company has outstanding SR equity shares; and – **Complied with to the extent applicable. There are no SR equity shares issued by the Company**.

(b) An undertaking from the Company that it shall comply with all disclosure and accounting norms specified by the SEBI. – **Complied with and noted for compliance**.

(11) We shall comply with the regulations pertaining to advertisements in terms of the SEBI ICDR Regulations. – **Noted for compliance**.

(12) If applicable, the Company is eligible to list on the innovators growth platform in terms of the provisions of Chapter X of the SEBI ICDR Regulations. – **Not Applicable**.

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

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

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

Yours sincerely,

Enclosed: As above.

For Mefcom Capital Markets Limited

MEFCOM CAPITAL MARKETS LIMITED

Authorized Signatory

Name: Priyanka Mehta

Designation: Executive Director
Contact Number: +91 85955 27075
Email: priyanka.mehta@mefcomcap.in

ANNEXURE III-A

Note explaining how the process of due diligence has been conducted

In connection with the draft red herring prospectus dated April 30, 2025 (the "**DRHP**"), we, the BRLM, have carried out due diligence in relation to the current business of the Company and its background for the purposes of complying with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "**SEBI ICDR Regulations**"), and other applicable laws, and to the extent that it is customary in initial public offerings in India, along with other professionals and experts engaged in connection with the Issue.

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

The due diligence process carried out by us and the Legal Counsel (as defined below) involved attending virtual and physical meetings and interactions with the Promoters, Directors, Key Managerial Personnel, Senior Management Personnel of the Company for gaining an understanding of the business of the Company, key risks involved, involvement of the Promoters and their relationship with the Company and financial overview of the Company, among other matters. These interactions were conducted with the objective of assisting the Company in preparing necessary disclosures as required under the SEBI ICDR Regulations and other applicable laws in relation to the Issue. In this regard, the Company was provided with a due diligence questionnaire and information request list that was prepared in consultation with the Legal Counsel. In response to the questionnaire and the requisition lists, the Company has provided us the supporting documents and information, to the extent available, for our review and diligence and provided us with explanations with respect to our queries. In order to facilitate such review, the Company set up a virtual data room where copies of such supporting documents were made available for undertaking due diligence.

For the purposes of the Issue, Fox & Mandal, is appointed as the legal counsel to the Issue (the "**Legal Counsel**"). The Legal Counsel assisted the BRLM in carrying out documentary legal due diligence, drafting of the DRHP in compliance with SEBI ICDR Regulations and advised the Company and the BRLM on relevant legal matters related to the Issue including for the purpose of issuing legal opinion in relation to the Issue to us as appropriate in the Issue.

We were also assisted by the statutory auditors of the Company, MB Nayak & Co., Chartered Accountants, (the "**Statutory Auditor**"), in the financial due diligence process and they provided an examination report dated April 22, 2025, in relation to the restated financial information of the Company (the "**Restated Financial Information**") and a report dated April 30, 2025, on the Statement of Possible Special Tax Benefits. The Statutory Auditor has consented to be named as an expert, in terms of the Companies Act, 2013, as amended (the "**Companies Act**") in the DRHP and such consent has not been withdrawn as at the date of filing of the DRHP with the SEBI. As on the date of the DRHP, the Statutory Auditor confirmed that it holds a valid peer review certificate. Further, we were also assisted by the Statutory Auditor for verifying and providing certifications, including with respect to certain financial and operational information included in the DRHP, such as key performance indicators and operational information about the Company, weighted average cost of acquisition of Equity Shares acquired by the Promoters, details of any amounts outstanding to micro, small and medium enterprises, material creditors and other creditors of the Company and compliance with corporate governance requirements and other parameters disclosed in the DRHP. The Statutory Auditor has also confirmed to us that all related party transactions entered into for the periods disclosed in the DRHP have been entered into by the Company and has been in accordance with applicable laws, on an arm's length basis. Further, we also obtained certificate dated March 20, 2025, from Shwetendu Sharad Dhanuka, independent chartered engineer ("**Independent Chartered Engineer**"), for certifying the installed and actual production capacity of the manufacturing facilities of the Company as included in "*Our Business*" section of the DRHP on page 147. The Independent Chartered Engineer has consented to be named as an expert, in terms of the Companies Act in the DRHP and such consent has not been withdrawn as at the date of filing of the DRHP with the SEBI.

Additionally, we also obtained certificates dated April 30, 2025, from Manish Ghia & Associates, practicing company secretaries ("**PCS**") in relation to (i) compliance of the Company's employee stock option scheme with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and the Companies Act; and (ii) providing confirmations in relation to the build-up of the share capital of the Company since incorporation and certain other corporate actions undertaken by the Company being in compliance with the relevant provisions of the Companies Act, 2013 and Companies Act, 1956 (as applicable) and their search report in relation to certain corporate records of the Company.

The Company has also placed reliance on the industry report titled "*Industry Research Report on Indian Gems and Jewellery Industry*" dated April 29, 2025 issued and prepared by CARE Analytics and Advisory Private Limited ("**CARE**" and such report, the "**CARE Report**") for disclosures in relation to industry information in the DRHP. The Care Report has been exclusively commissioned and paid for by the Company pursuant to the engagement letter dated December 17, 2024 between the Company and CARE and has been prepared exclusively for the purposes of disclosures in the "*Industry Overview*" section of the Issue. Further, the Company has received a written consent from CARE dated April 29, 2025 to include their name, the CARE Report and its contents or any extract or references thereof in the DRHP, the Red Herring Prospectus and the Prospectus.

1. *Business and Commercial Diligence*

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

(a) Organizing and attending transaction related calls and virtual/in-person meetings with the management of the Company, to develop an understanding of the business, history and other matters of the Company, including the industry overview and the regulatory environment. The discussions were attended by the Promoters and management of the Company, including members of the secretarial, finance and legal departments, along with representatives of the BRLM, the Legal Counsel, the PCS and the Statutory Auditor, as necessary. A broad overview of the business of the Company, the industry in which it operates, its financial information, the regulatory framework with respect to the business, the corporate structure, the capital structure, financial statements, its shareholding pattern and the details of the Promoters of the Company were provided, followed by interactive discussions.

(b) Regularly interacting with the senior management of the Company, including the Directors, Key Managerial Personnel, Senior Management, other personnel from the business, secretarial, legal and finance departments of the Company such as the Company Secretary and Compliance Officer and the Chief Financial Officer, the PCS and the Statutory Auditor, for the purpose of understanding the business, the risks involved and the financial overview of the Company, amongst other matters. These interactions included (i) drafting sessions and conference calls to discuss the disclosures in the DRHP with the management and seeking appropriate clarifications from the Statutory Auditor, PCS and Independent Chartered Engineer; (ii) due diligence calls with the management and Statutory Auditor and CARE, industry expert; (iii) bring-down due diligence calls with the management to receive updated information from the Company before filing the DRHP; (iv) seeking appropriate clarifications and certifications from the Company, its Directors, Promoters, Key Managerial Personnel and Senior Managerial Personnel for key financial, operational data and other information; (v) obtaining and relying on certificates, formal representations and undertakings from the Company, its Directors, Key Managerial Personnel, Senior Management, Promoters, Promoter Group, among others, for certain other information and (vi) seeking appropriate certifications from the PCS, Statutory Auditor and Independent Chartered Engineer. These interactions were conducted with the objective of assisting the Company to prepare disclosures in the DRHP as required under the SEBI ICDR Regulations, the Companies Act and other applicable laws with regard to the Issue. Accordingly, disclosures in respect of the business carried out by the Company as well as associated risks in relation thereto, have been made in the DRHP including sections titled "*Our Business*" and "*Risk Factors*", respectively. We expect these interactions, and due diligence calls to continue until completion of the Issue;

(c) Physical site visits to the Registered and Corporate Office of the Company located at Plot No. 121, Street No.15/18 MIDC, Andheri (East), Mumbai City, Mumbai 400 093, Maharashtra, India where we interacted with the Company's management and employees at the Registered and Corporate Office. We also visited the manufacturing facilities of the Company located in Plot No. 121, Street No.15/18 MIDC, Andheri (East), Mumbai City, Mumbai 400 093, Maharashtra, India. The site-visits were carried out for our due diligence and to gain an understanding of the Company's business and manufacturing processes;

(d) Requesting the Company to make available the due diligence documents in the virtual data room, or via e-mails, and reviewing those documents along with the Legal Counsel, based on the disclosure requirements under the SEBI ICDR Regulations and other applicable laws, as is customary in such transactions;

(e) Obtaining and relying on:

(i) circle-ups and comfort letters on tick-and-tie circle-up confirmations and certificates from the Statutory Auditor on the Restated Financial Information as well as the other operational data, financial information, key performance indicators and/or other information included in the DRHP, including details of the amounts outstanding to small scale undertakings and other creditors of the Company, non-payment of statutory dues by the Company, compliance with corporate governance requirements by the Company, among others, as applicable, in each case, as of and for the periods specified therein; and

(ii) certificates, formal representations and undertakings from the Company, the Promoters, members of the Promoter Group, the Directors, the Key Managerial Personnel, Senior Management Personnel of the Company, the Statutory Auditor, and other documents (including the CARE Report) in support of certain disclosures made in the DRHP, including certain operational data included in the business section and for compliance with the SEBI ICDR Regulations;

(f) Obtaining and relying on formal representations and undertakings from the Company in the Issue Agreement;

(g) Reviewing, together with the Legal Counsel, various arrangements executed by the Company with its material customers;

(h) Interacting with the industry consultant, CARE and assisting the Company in obtaining the CARE Report, exclusively commissioned and paid for by the Company in connection with the Issue for the purposes of confirming the Company's understanding of the industry in which it operates. Further, necessary consent was obtained from CARE to disclose the contents of the CARE Report in the DRHP;

(i) Obtaining and relying on a certificate dated March 20, 2025 from Independent Chartered Engineer, certifying the details of the installed and actual production capacity of the manufacturing facilities of the Company, as included in "*Our Business*" on page 147 of the DRHP;

(j) Obtaining and relying on certificates dated April 30, 2025 from Manish Ghia & Associates, practicing company secretaries ("**PCS**") in relation to(i) compliance of the Company's employee stock option scheme with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and the Companies Act; and (ii) providing confirmations in relation to the build-up of the share capital of the Company since incorporation and certain other corporate actions undertaken by the Company being in compliance with the relevant provisions of the Companies Act, 2013 and Companies Act, 1956 (as applicable) and their search report in relation to certain corporate records of the Company; and

(k) Reviewing, together with the Legal Counsels, material agreements relating to the business and operations of the Company executed by, or in relation to, the Company and such other documents as we have deemed necessary and as have been provided to us by the Company, from time to time.

2. *Key Performance Indicators*

Key performance indicators of the Company have been identified and suitable disclosures have been made in line with the SEBI ICDR Regulations and applicable SEBI circulars and directions in relation to key performance indicators of the Company in the section "*Basis for Issue Price*" beginning on page 94 of the DRHP and other relevant sections in the DRHP. Further, such key performance indicators were approved by the Audit Committee of the Company pursuant to its resolution dated April 22, 2025 and such key performance indicators as disclosed in the DRHP have been certified by the Statutory Auditor by certificate dated April 30, 2025. Such certificate issued by the Statutory Auditor in relation to the KPIs will form part of the section "*Material Contracts and Documents for Inspection*" beginning on page 354 of the DRHP and will be available for public inspection from the date of filing of the RHP with the RoC until the Bid/Issue Closing Date. The Company shall continue to disclose such key performance indicators, on a periodic basis, in accordance with applicable law.

3. ***Industry information***

We and the Company have relied on industry and market data derived from the CARE Report commissioned by the Company and prepared by CARE exclusively for the purposes of confirming the Company's understanding of the industry it operates in, in connection with the Issue pursuant to an engagement letter dated December 17, 2024. Further, pursuant to their consent letter dated April 29, 2025, ("**Letter**"), CARE has accorded their no objection and consent to use the CARE Report in connection with the Issue. CARE, pursuant to their Letter has also confirmed that it is an independent agency, and that it is not related to the Company, its Directors, Promoters, Key Managerial Personnel or Senior Management. We have also conducted due diligence calls and interacted with representatives of CARE. The CARE Report has been included as a material document for inspection by the public in the section "*Material Contracts and Documents for Inspection*" of the DRHP and will be available on the website of the Company at www.priorityjewels.in/investors/. The industry related information contained in certain sections of the DRHP, including "*Issue Document Summary*", "*Risk Factors*", "*Industry Overview*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", have been included from the CARE Report.

4. ***Financial information and financial indebtedness***

Due diligence was conducted on financial matters, which included discussions with the finance department of the Company and virtual/in-person meetings and due diligence calls with the Statutory Auditor, review of the auditor's examination report and other related documents. The current Statutory Auditor of the Company has examined the restated financial information of the Company, comprising of the restated statement of assets and liabilities for the nine months period ended December 31, 2024, and as at March 31, 2024, March 31, 2023 and March 31, 2022, the restated statement of profit and loss (including other comprehensive income), the restated statement of changes in equity and the restated statement of cashflows for the nine month period ended December 31, 2024 and financial years ended March 31, 2024, March 31, 2023, March 31, 2022, the summary statement of material accounting policies and other explanatory notes prepared under Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act and in accordance with the requirements of Section 26 of Part I of Chapter III of the Companies Act, 2013, the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, and e-mail dated October 28, 2021 from the SEBI to the AIBI instructing lead managers to ensure that companies provide consolidated financial statements prepared in accordance with Ind AS for all the relevant periods mentioned herein, and included in "*Restated Financial Information*" section of the DRHP on page 191.

We have obtained certifications with respect to certain financial information included in the DRHP from the Statutory Auditor. Further, the Statutory Auditor were required to review the financial information relating to the Company in the DRHP and have delivered a customary comfort letter to the BRLM. Such comfort letter and certificates will be re-issued or brought down at certain future dates including at the stage of RHP and Prospectus.

We have also placed reliance on the statement of possible special tax benefits available to the Company and its shareholders, issued by the Statutory Auditor and included in the DRHP. Additionally, reliance was also placed on *inter alia* the certificate issued by the Statutory Auditor on the: (i) computation of the Company's net worth, pre-tax operating profit, net tangible assets and monetary assets, each on a restated basis, to assess eligibility of the Company to undertake the Issue under Regulation 6(1) of the SEBI ICDR Regulations; and (ii) compliance with corporate governance requirements by the Company.

In accordance with the SEBI ICDR Regulations, the audited standalone financial statements of the Company as of and for the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022 (i.e., the three financial years immediately preceding the date of filing of the DRHP) have been uploaded on its website at www.priorityjewels.in/investors/.

In relation to the information disclosed in summarized form in the section "*Financial Indebtedness*" beginning on page 280 of the DRHP, the relevant sanction letters and agreements issued by the lenders as well as other financing related documents were made available. On the basis of our review, consents were obtained from the relevant lenders in connection with the corporate actions related to the Issue, as required under the arrangements with such lenders. The details of the outstanding borrowings availed by the Company including certain key terms of such borrowings are disclosed in the section "*Financial Indebtedness*", beginning on page 280 of the DRHP. We have also relied on a certificate from the Statutory Auditor to ascertain the amount of sanctioned and outstanding borrowings of the Company as of March 31, 2025, as disclosed in the section "*Financial Indebtedness*", beginning on page 280 of the DRHP.

5. ***Promoters, members of Promoter Group, Directors, Key Managerial Personnel and Senior Management Personnel***

For the purposes of making certain disclosures with respect to the Promoters, members of the Promoter Group, the Directors, the Key Managerial Personnel, the Senior Management Personnel in the DRHP, we have obtained certifications, authorizations and confirmations from the relevant entities/persons. We also interacted with the relevant parties, along with the Legal Counsel, to assist them to understand the requirements of law and disclosures required in terms of SEBI ICDR Regulations.

For the purposes of disclosure of the educational qualifications and professional experience of Directors, Key Managerial Personnel and Senior Management Personnel of the Company in the DRHP, we have relied on relevant degree certificates/mark sheets, appointment/ relieving/ experience letters or other back-up documents including publicly available information, to the extent available and obtained certifications from them. In this connection, please note that one of the Company's Independent Directors, Kamal Ratilal Bhansali, has not completed a formal education degree. We have disclosed this fact accordingly in "*Our Management - Brief profiles of our Directors*" on page 170.

In addition, confirmations have been received from the Company, its Directors, its Promoters, and Promoter Group members stating that they are not debarred or prohibited from accessing the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any other jurisdiction or any other authority/ court. Further, confirmations have been received from the Company, Promoters and Directors confirming that they are not identified as "wilful defaulters or fraudulent borrowers" as defined under the SEBI ICDR Regulations. We have also received confirmations from the Company, Promoters and Directors that none of the Directors or Promoters of the Company are declared as 'fugitive economic offenders' as defined under the section 12 of the Fugitive Economic Offenders Act, 2018 and confirmations have also been taken from each of the Directors that: (a) they have not been on the board of directors of any listed company whose shares have been/ were suspended from being traded on any stock exchange during five preceding years prior to the date of the DRHP; and (b) they have neither been, nor are a promoter or director on the board of directors of any listed company that has been delisted from any stock exchange, during their tenure and appropriate disclosures have been made in the DRHP, as applicable. Further confirmations have been received from the Company, Promoters, and Promoter Group members in respect of their compliance with the Companies (Significant Beneficial Ownership) Rules, 2018, as on date of the DRHP, to the extent applicable in relation to the Company.

Further, public domain searches, including on the websites of CIBIL and watchout investors for Company, Promoters, Directors and members of the Promoter Group were carried out and the results of such searches were analysed and written confirmations in respect of the relevant parties, were obtained.

In accordance with the SEBI ICDR Regulations and the applicable accounting standards, for the purpose of identification of 'group companies', the Company had considered (i) such companies (other than promoter(s) and subsidiary/subsidiaries) with which the Company had related party transactions, during the period for which Restated Financial Information is disclosed in the Draft Red Herring Prospectus, as covered under the applicable accounting standards; and (ii) any other company considered material by the board of directors of the Company by way of their resolution dated April 22, 2025 (the "**Materiality Policy**"), which will be companies who are a member of the Promoter Group and have entered into one or more transactions with the Company during the last completed fiscal year, if any, as per the Restated Financial Information, which individually or cumulatively, in value exceed 10% of the total revenue of the Company for such period. Based on the above criteria laid out by the SEBI ICDR Regulations and the Materiality Policy, the Board determined that the Company does not have any Group Company as on the date of the Draft Red Herring Prospectus.

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

We have disclosed outstanding litigation involving the Company, its Promoters, its Directors, KMPs and SMPs and details of material creditors on the basis of the legal requirements under the SEBI ICDR Regulations and in accordance with the policy on determination of material litigation approved by the board of directors of the Company in its meeting held on April 22, 2025 ("**Litigation Materiality Policy**") in the "*Outstanding Litigation and Material Developments*" section of the DRHP.

The Company has provided a list of outstanding litigations involving the Company and supporting documents for material proceedings involving the Company. Further, we interacted with the relevant representatives and management of the Company to understand the status of various pending proceedings involving the Company. In relation to the litigation involving the Promoters, Directors, KMPs and SMPs, we have relied on the certificates received from them, solely based on which, appropriate disclosures, wherever applicable, in relation to litigation proceedings involving them have been included in the DRHP.

The DRHP includes outstanding (i) criminal proceedings; (ii) actions taken by regulatory or statutory authorities, including any notices issued by such authorities to the Relevant Parties (as defined below); (iii) claims for any direct or indirect tax liabilities; and (iv) other pending litigation as determined to be material pursuant to the Litigation Materiality Policy, in each case involving the Company, its Promoters, and its Directors ("**Relevant Parties**"), as per the Litigation Materiality Policy. Further, the Company has also disclosed, (i) criminal proceedings and (ii) actions taken by regulatory or statutory authorities, against any Key Managerial Personnel and Senior Management of the Company. There are no disciplinary actions including penalties imposed by SEBI or stock exchanges against the Promoters in the five financial years preceding the date of the DRHP, including any outstanding action.

Based on the Litigation Materiality Policy, the DRHP includes details of outstanding litigations/arbitrations involving the Relevant Parties, other than criminal proceedings, actions by regulatory authorities and statutory authorities, disciplinary action including penalty imposed by SEBI or stock exchanges against the Promoters in the last five financial years including any outstanding action and tax matters (direct or indirect) for which the monetary amount of claim/amount in dispute, to the extent quantifiable, involved in any such outstanding litigation or arbitration proceeding exceeds: (a) two percent of turnover, for the most recent financial year based on the Restated Financial Statements; or (b) two percent of net worth, as at the end of the most recent financial year based on the Restated Financial Information; or (c) five percent of the average of absolute value of profit or loss after tax, for the last three financial years based on the Restated Financial Information, whichever is lower. Accordingly, five percent of the average of absolute value of restated profit for the year, based on the Restated Financial Information of the preceding three financial years disclosed in the DRHP, i.e., ₹ 2.84 million has been considered as the materiality threshold; or (d) where monetary liability is not quantifiable, the outcome of any such pending proceedings may have a material bearing on the business, operations, performance, prospects or reputation of the Company; or where the decision in one matter is likely to affect the decision in similar matters, such that the cumulative amount involved in such matters exceeds the threshold as specified above, even though the amount involved in an individual matter may not exceed the materiality threshold i.e. ₹ 2.84 million.

For the purposes of the above, pre-litigation notices (excluding notices from statutory/ regulatory/ governmental/ tax authorities and notices threatening criminal action as applicable), unless otherwise decided by the Board, have not been considered material and/ or have not been disclosed as pending matters until such time that the Relevant Parties are not impleaded as a defendant in the litigation proceedings before any judicial forum.

Except as stated in this section, there are no outstanding material dues to creditors of the Company. In terms of the Litigation Materiality Policy, outstanding dues to any creditor of the Company having a monetary value which exceeds 5 % of the Company's trade payables as of December 31, 2024 based on the Restated Financial Information shall be considered as 'material'. Accordingly, as on December 31, 2024, any outstanding dues exceeding ₹25.34 million have been considered as material outstanding dues for the purposes of identification of material creditors and related information in this section. Further, for outstanding dues to MSMEs, the disclosure is based on information available with the Company regarding status of the creditors under Section 2 of the Micro, Small and Medium Enterprises Development Act, 2006, as amended read with the rules and notifications thereunder.

7. ***Statutory and/or regulatory related and other diligence***

In connection with diligence of statutory and regulatory matters, the BRLM has, with the assistance of the Legal Counsel, reviewed the relevant statutory and regulatory records of the Company, including, among other things, relevant corporate records, filings made by the Company with various statutory and regulatory authorities, material licenses, approvals and registrations applied for and/or received by the Company, and such other documents as we have deemed necessary and as have been provided to us by the Company from time to time. The DRHP includes a summary of the material approvals required for carrying on the business operations of the Company, including tax registrations, approvals under labour and employment related laws. Such approvals have been disclosed in the section "*Government and Other Approvals*" in the DRHP and a cross-reference has been included in the sections "*Risk Factors*" and "*Our Business*" of the DRHP, as applicable. Representations and certifications provided by the Company in connection with such statutory and/ or regulatory matters have also been relied on.

In relation to the build-up of the existing share capital of the Company, the statutory form filings, share transfer register, board and shareholders' resolutions filed, prepared and maintained by the Company and approvals obtained by the Company were reviewed.

We, along with the Legal Counsel, have relied on the list of material licenses, approvals and registrations of Company, and such licenses, approvals and registrations, copies of which were provided by the Company, were reviewed. We, along with the Legal Counsel, have also regularly interacted with the officials of the Company to understand the approvals that are required to be obtained by the Company to carry out its business. Additionally, we have also reviewed the other material agreements executed by, or in relation to, the Company.

8. ***Objects of the Issue***

The objects of the Issue are to:

1. Repay/pre-pay, in full or in part, certain borrowings availed by the Company; and

2. General corporate purposes.

Adequate disclosures in accordance with the SEBI ICDR Regulations have been included for each of the above-mentioned objects of the Issue. For details, please refer to the "*Objects of the Issue*" section of the DRHP.