

	
<b>ICICI Securities Limited</b> ICICI Venture House Appasaheb Marathe Marg Prabhadevi, Mumbai 400 025 Maharashtra, India <b>Tel.:</b> +91 22 6807 7100 <b>E-mail:</b> ailipo@icicisecurities.com <b>Website:</b> www.icicisecurities.com <b>SEBI Registration Number:</b> INM000011179 <b>CIN:</b> L67120MH1995PLC086241	<b>IIFL Securities Limited</b> 24th Floor, One Lodha Place Senapati Bapat Marg, Lower Parel (W) Mumbai – 400 013 Maharashtra, India <b>Telephone:</b> + 91 22 4646 4728 <b>E-mail:</b> adityainfotech.ipo@iiflcap.com <b>Website:</b> www.iiflcap.com <b>SEBI Registration Number:</b> INM000010940 <b>CIN:</b> L99999MH1996PLC132983

### ANNEXURE III

September 30, 2024 **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 Madam/Sir,

**Re: PROPOSED INITIAL PUBLIC OFFERING OF EQUITY SHARES OF FACE VALUE OF ₹ 1 EACH (THE "EQUITY SHARES") OF ADITYA INFOTECH LIMITED (THE "COMPANY", AND SUCH INITIAL PUBLIC OFFERING, THE "OFFER")**

We, ICICI Securities Limited and IIFL Securities Limited (the "**BRLMs**"), who have been appointed by the Company as book running lead managers to manage the Offer, confirm that:

- (1) We have examined various documents including those relating to litigation, including commercial disputes, patent disputes, disputes with collaborators, etc. and other material while finalizing the draft red herring prospectus dated September 30, 2024 ("**DRHP**") pertaining to the Offer. – **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 Offer, price justification, contents of the documents and other papers furnished by the Company and the Selling Shareholders, we confirm that:
  - (a) the DRHP filed with the Securities and Exchange Board of India ("**SEBI**") is in conformity with the documents, materials and papers which are material to the Offer;
  - (b) all material legal requirements relating to the Offer as specified by the SEBI, the Central Government and any other competent authority in this behalf have been duly complied with; and
  - (c) the material disclosures made in the DRHP are true and adequate to enable the investors to make a well informed decision as to the investment in the proposed Offer and such disclosures are in accordance with the requirements of the Companies Act, 2013, 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.
- (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 has been obtained for inclusion of its specified securities as part of promoter's contribution subject to lock-in and the specified securities proposed to form part of promoters' contribution subject to lock-in, shall not be disposed or sold or transferred by the Promoters during the period

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

We enclose 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 have also enclosed 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.

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

Encl.: Annexures as above

Sincerely,

	
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*This signature page forms an integral part of the letter submitted to Securities and Exchange Board of India, in relation to the initial public offering of Aditya Infotech Limited.*

#### For ICICI Securities Limited




#### Authorized Signatory

Name: Sumit Singh  
Designation: VP  
Contact: 022 6807 7100  
E-mail: sumitkumar.singh@icicisecurities.com

	
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*This signature page forms an integral part of the letter submitted to Securities and Exchange Board of India, in relation to the initial public offering of Aditya Infotech Limited.*

**For IIFL Securities Limited**




**Authorized Signatory**

Name: Pawan Kumar Jain

Designation: Vice President

Contact Number: +91 22 4646 4727

Email: pawan.jain@iiflcap.com

	
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## ANNEXURE III A

### Due Diligence Process Note

In connection with the draft red herring prospectus of the Company dated September 30, 2024 (the “**DRHP**”), we, the BRLMs, have carried out due diligence exercise in relation to the current business of the Company, for the purposes of complying with the applicable provisions of the 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 Offer.

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

For the purposes of the Offer, Khaitan & Co. was appointed as legal counsel to the Company and Selling Shareholders as to Indian Law, Trilegal was appointed as the legal counsel to the BRLMs as to Indian Law, Hogan Lovells Lee & Lee was appointed as the international legal counsel to the BRLMs (the collectively, “**Legal Counsel**”). The Legal Counsel assisted the BRLMs in carrying out documentary legal due diligence, drafting of the DRHP in compliance with the SEBI ICDR Regulations and advised the Company and the BRLMs on relevant legal matters related to the Offer, as appropriate.

The due diligence process carried out by us and the Legal Counsel commenced with physical kick-off at the Company’s office located at 507, Laxmi Plaza, Laxmi Industrial Estate, New Link Road, Andheri (West), Mumbai 400053. India and virtual interactions with the Promoters, Key Managerial Personnel and Senior Management of the Company, including the Chief Financial Officer, the Company Secretary and Compliance Officer, to gain an understanding of the business of the Company, its Subsidiaries, key risks involved, background of the Promoters 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 Offer. In this regard, the Company was provided with a due diligence questionnaire and information requisition list prepared in consultation with the Legal Counsel. The Company provided us the supporting documents in relation to the questionnaire 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 an online data room where copies of relevant documents were made available for undertaking due diligence.

We were assisted by the statutory auditor of the Company, Walker Chandiok & Co LLP (the “**Statutory Auditor**”) in the financial due diligence process of the Company.

In addition to the restated consolidated financial statements and examination report thereon for Fiscal 2024, Fiscal 2023, and Fiscal 2022 (the “**Restated Consolidated Financial Information**”) and the pro forma consolidated information of the Company and its Subsidiaries for Fiscal 2024 (“**Pro Forma Consolidated Financial Information**”), the Statutory Auditor has provided statements of direct and indirect special tax benefits available to the Company and its shareholders, and the comfort letter. The Statutory Auditor has also verified details and provided certifications relating to *inter alia* compliance with corporate governance requirements, certifying the utilization of loan and provided various other certifications with respect to certain other financial information included in the DRHP. The Statutory Auditor has confirmed that they hold valid peer review certificates issued by the peer review board of the Institute of Chartered Accountants of India. The Statutory Auditors have consented to be named as an ‘expert’, in terms of the Companies Act, 2013, as amended, in the DRHP and such consent has not been withdrawn as at the date of filing of the DRHP with the SEBI.

The Statutory Auditor of AIL Dixon Technologies Private Limited (the “**Material Subsidiary**”), S. N. Dhawan & CO LLP, Chartered Accountants (the “**Statutory Auditor of the Material Subsidiary**”), has provided a statement of possible special direct and indirect tax benefits available to the Material Subsidiary and have consented to be named as an ‘expert’,

	
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in terms of the Companies Act, 2013, as amended, in the DRHP and such consent has not been withdrawn as at the date of filing of the DRHP with the SEBI.

We were also assisted by the independent chartered accountant, RNBP & Co., Chartered Accountants, peer reviewed chartered accountant firm (“**Independent Chartered Accountant**”) for verifying and providing certifications including in respect of weighted average price at which the specified securities were acquired by our Promoters and the Selling Shareholders in the last one year, compliance with corporate governance requirements, certifying the outstanding dues to material creditors, operational and other parameters disclosed in the DRHP. The Independent Chartered Accountant has confirmed that they hold valid peer review certificates issued by the peer review board of the Institute of Chartered Accountants of India. The Independent Chartered Accountant has consented to be named as an ‘expert’, in terms of the Companies Act, 2013, as amended, in the DRHP and such consent has not been withdrawn as at the date of filing of the DRHP with the SEBI.

We have obtained and placed reliance on the certifications provided by Sharjeel Aslam Faiz, Independent Chartered Engineer (“**Chartered Engineer**”) to the to carry out independent examination, verification, certification and confirm certain details in relation to the installed capacity, actual production and capacity utilization of AIL Dixon’s manufacturing facility at Shed no 1 to 4, YSR EMC Koppaarthi, YSR Kadapa, YSR Andhra Pradesh, 516003, for inclusion in the DRHP. The Chartered Engineer has consented to be named as an ‘expert’, in terms of the Companies Act, 2013, as amended, in the DRHP and such consent has not been withdrawn as at the date of filing of the DRHP with the SEBI.

We have also obtained a certificate from Pawan Mahur & Associates, Company Secretaries, practicing company secretary, to certify that the employee stock option plan of the Company, Aditya Infotech Employee Stock Option Plan 2024, is in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

We have also obtained a certificate from Anuj Gupta & Associates, Company Secretaries, practicing company secretary (“**PCS**”), to certify compliance with Companies Act, 2013 and Companies Act, 1956 by the Company, in relation to issuance of securities since its incorporation. We have also obtained a certificate from the PCS to carry out an online and physical inspection at the office of the registrar of companies, National Capital Territory of Delhi and Haryana at New Delhi (“**RoC**”) as the Company is unable to trace certain corporate and statutory records for certain statutory filings made by the Company in accordance with Companies Act, 1956, and Companies Act, 2013.

We have also obtained a certificate from Anand and Anand, in their capacity as an intellectual property consultant (“**IP Consultant**”) in their capacity as a regulatory consultant for product registrations. They have examined, verified, certified and confirmed certain details in relation to the (i) copyright and trademark filings and registrations of the Company and its Subsidiaries; and (ii) design filings and registrations of the Company and its Subsidiaries in India and certain other jurisdictions.

The Company has also placed reliance on the report titled “*Video Surveillance and Security Market in India*” dated September 26, 2024 issued and prepared by Frost and Sullivan (India) Private Limited (“**F&S**”), and such report, the (“**F&S Report**”) for disclosures in relation to industry information in the DRHP. Further, the Company has received a written consent dated September 26, 2024, from F&S to include their name, engagement letter dated May 28, 2024, the F&S Report and its contents or any extract or references thereof in the DRHP, Red Herring Prospectus and Prospectus. The F&S Report has been commissioned and paid for by the Company and has been prepared exclusively for the purposes of disclosures in the “*Industry Overview*” section of the Offer.

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

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



	
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- (a) Organizing and attending a discussion, 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 and its Subsidiaries, including the industry overview and the regulatory environment. The discussion was attended by the Promoters and management of the Company including members of the secretarial, legal and finance departments along with representatives of the Legal Counsel, representatives of the BRLMs, the Statutory Auditor, the Chartered Engineer and the Independent Chartered Accountant, as necessary. A broad overview of the business of the Company and its Subsidiaries, industry in which it operates, regulatory framework with respect to the business, the corporate structure, the capital structure, and financial statements and shareholding pattern of the Company and details of the Promoters of the Company was presented to the BRLMs and the Legal Counsel followed by interactive discussions;
- (b) Regularly interacting with the management team of the Company, including the Chief Financial Officer, Company Secretary and Compliance Officer, Key Managerial Personnel and Senior Management, and other senior personnel from the Company's operations department and the Statutory Auditor for the purpose of gaining an understanding of the business, the risks involved and a financial overview of the Company and its Subsidiaries, among other matters. These interactions included (i) drafting sessions and conference calls to discuss the disclosures in the DRHP with the management; (ii) due diligence call with the Statutory Auditor; (iii) bring-down due diligence call with the management to receive updated information from the Company before filing the DRHP; (iv) seeking appropriate clarifications and certifications from the Company 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, Subsidiaries, and the Group Company, among others, for certain other information; and (vi) due diligence call with F&S. These interactions were conducted with an objective to assist the Company to prepare disclosures as required under the SEBI ICDR Regulations, the Companies Act, and other applicable laws with regard to the Offer. Further, we also interacted with the respective representatives of the Selling Shareholders, received certificates from them to prepare disclosures in the DRHP in relation to the Selling Shareholders and their respective Offered Shares. We expect these interactions and due diligence calls to continue until the closure of the Offer;
- (c) Requesting the Company to make available the due diligence documents in virtual data room, or via e-mails, and reviewing those documents along with the Legal Counsel, based on the requirements under the SEBI ICDR Regulations and as is customary in such transactions;
- (d) Obtaining and relying on certificates, formal representations and undertakings from the Company, the Selling Shareholders, the Promoters, the Promoter Group, the Subsidiaries, the Group Company, the Directors, the Key Managerial Personnel and Senior Management of the Company, the Statutory Auditor, the Independent Chartered Accountant, the Chartered Engineer, IP Consultant and other documents (including F&S 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;
- (e) Obtaining and relying on formal representations and undertakings from the Company and the Selling Shareholders in the Offer Agreement;
- (f) A site visit to the Registered and Corporate Office of the Company, manufacturing facility in Kadapa, Andhra Pradesh, was conducted for our due diligence;
- (g) Obtaining circle-ups and certificates from the Statutory Auditor, and the Independent Chartered Accountant on certain financial information, operational data, key performance indicators and/ or other



	
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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;

- (h) Reviewing, together with the Legal Counsel, various customer and vendor agreements, work orders, order book, executed by the Company and, Subsidiaries with its customers and vendors, on a sample basis;
- (i) Interacting with Frost & Sullivan (“**F&S**”), the industry report provider for the report titled “*Video Surveillance and Security Market in India*” dated September 26, 2024 (“**F&S Report**”) prepared and issued by F&S.
- (j) Reviewing the approval of the Audit Committee of the Company with respect to disclosures on the key performance indicators (“**KPIs**”) of the Company included in the DRHP, in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2022. Further, obtaining certification from the Independent Chartered Accountant pertaining to KPIs and disclosures thereto, included in the DRHP; and
- (k) Reviewing such other documents as we have deemed necessary and as have been provided to us by the Company, from time to time.

## 2. **Industry information**

We have relied on industry and market data derived from the report titled, “*Video Surveillance and Security Market in India*” dated September 26, 2024 (“**F&S Report**”) prepared by Frost and Sullivan (India) Private Limited (“**F&S**”), appointed by the Company pursuant to an engagement letter May 28, 2024 and such F&S Report has been commissioned by and paid for by the Company, exclusively in connection with the Offer. Further, F&S pursuant to their consent letter dated September 26, 2024 (“**Letter**”) has accorded their no objection and consent to use the F&S Report in connection with the Offer. F&S, 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 interacted with F&S and conducted calls with them to discuss the contents of the F&S Report. The industry related information contained in certain sections of the DRHP, including “*Summary of the Offer Document*”, “*Risk Factors*”, “*Industry Overview*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*”, have been included from the F&S Report. The F&S Report is available on the website of the Company at <https://www.adityagroup.com/> and forms part of the material documents for inspection as listed in the section “*Material Contracts and Documents for Inspection*” of the DRHP.

## 3. **Financial information and financial indebtedness**

Due diligence was conducted on financial matters, which included due diligence calls with the Statutory Auditor, discussions with the finance department of the Company, review of the auditors’ examination report and other related documents. The current Statutory Auditor of the Company has examined the Restated Consolidated Financial Information of the Company which were prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (“**Ind AS**”) and the requirements of the SEBI ICDR Regulations and Companies Act, 2013 as at for the Fiscals ended March 31, 2024, March 31, 2023, and March 31, 2022. Further,

	
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the Statutory Auditor was required to review the financial information relating to the Company in the DRHP and has delivered a customary comfort letter to the BRLMs.

The Independent Chartered Accountant was required to review the financial information of the Company and provide circle-ups confirming the accuracy of the financial information contained in the DRHP, i.e., for the Fiscals ended March 31, 2024, March 31, 2023, and March 31, 2022.

In accordance with the SEBI ICDR Regulations, the Company has uploaded the audited standalone financial statements for the Fiscals 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) of the Company and the Material Subsidiary identified as per the requirements set out under Paragraph 11(1)(A)(ii) of the SEBI ICDR Regulations on its website.

We have relied on the report(s) on statements of direct and indirect special tax benefits available to the Company and its shareholders and the statement of possible special direct and indirect tax benefits available to the Material Subsidiary in accordance with Regulation 16(1)(c) of the SEBI Listing Regulations.

In relation to the information disclosed in summarized form in the section “*Financial Indebtedness*” 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, relevant intimations were made to and consent was obtained from the relevant lenders in connection with the corporate actions related to the Offer, as required under the loan documentation and arrangements with such lenders. The details of the outstanding borrowings availed by the Company and its Subsidiaries including certain key terms of such borrowings are disclosed in the section titled “*Financial Indebtedness*”. We have also relied on a certificate from the Independent Chartered Accountant to ascertain the amount of outstanding borrowings of the Company and its Subsidiaries as of June 30, 2024 as disclosed in the section titled “*Financial Indebtedness*”.

The Company has also received consents from relevant lenders, granting consent to undertake the Offer and related corporate actions such as issue and allotment of the Equity Shares and change in the capital structure of the Company, among others.

#### 4. **Promoters, Promoter Group, Selling Shareholders, Subsidiaries, Group Companies, Directors, Key Managerial Personnel and Senior Management of the Company**

For the purposes of making certain disclosures with respect to the Promoters, the Promoter Group, the Subsidiaries, the Selling Shareholders, the Group Companies, the Directors, Key Managerial Personnel and Senior Management of the Company in the DRHP, we have obtained certifications from such 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 of the Company in the DRHP, reliance was placed on degree certificates, passing certificate, mark-sheets, HR certificates, employment contracts and appointment or relieving letters issued by previous and current employers and other back-up documents.

The Company, the Promoters, members of the Promoter Group, the Directors, and Selling Shareholders have provided confirmations stating that they have not been debarred or prohibited from accessing the capital markets or 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. In addition, confirmations have been received from the Company, Promoters and Directors stating that they have not been categorized as wilful defaulters or ‘fraudulent borrower’ as per the definition in SEBI ICDR Regulations. We have also received

	
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confirmations from the Company, Promoters and the Directors that none of the Directors or Promoters of the Company are ‘fugitive economic offenders’ as defined under the section 12 of the Fugitive Economic Offenders Act, 2018. Further, confirmations have been taken from Directors that (a) that other than Ambika Sharma who was a director on the board of directors of Indosolar Limited up to September 20, 2024, they are not currently or were previously directors on the board of other listed companies whose shares have been / were suspended from being traded on the BSE Limited and/or the National Stock Exchange of India Limited during the period of five years before the date of the DRHP; (b) that they are not currently or were previously directors on the board, as applicable of a listed company whose shares have been or were delisted from being traded on any stock exchange while they were directors of such companies.

We also received confirmations from the Company, Promoters, members of the Promoter Group and Selling Shareholders in respect of their compliance with the Companies (Significant Beneficial Owners) Rules, 2018, as on date of the DRHP, to the extent applicable in relation to the Company.

In relation to the Selling Shareholders, the Company has received consent letters, along with the relevant information and documents which include, authorization from each Selling Shareholder to participate in the Offer and various confirmations, covenants, representations and warranties, as required from each Selling Shareholder.

The term “group companies” under the SEBI ICDR Regulations includes companies (other than the promoters and any subsidiaries) with which there were related party transactions, during the period for which financial information is disclosed in the offer documents, as covered under the applicable accounting standards, and also other companies as considered material by the Board of Directors, which will be companies who are a member of the Promoter Group (other than the Subsidiaries) and have entered into one or more transactions with the Company during the most recent financial year and stub period, if any, as per the Restated Consolidated Financial Information, which individually or in the aggregate, exceed 10% of the consolidated total income of the Company for such period. The Board of Directors has, through a resolution passed at its meeting held on September 23, 2024 adopted a materiality policy for identification of group companies.

## 5. *Outstanding litigation and dues to creditors*

We have disclosed outstanding litigation involving the Company, the Directors, the Promoters, Subsidiaries, and the Group Companies, as required under the SEBI ICDR Regulations and in accordance with the policy on determination of material litigation approved by the Board of Directors in its meeting held on September 23, 2024 (“**Materiality Policy**”). The materiality threshold in relation to litigation proceedings as approved by the Board of Directors has been disclosed in the DRHP.

The DRHP includes outstanding (i) criminal proceedings; (ii) actions taken by regulatory or statutory authorities; (iii) claims related to direct and indirect taxes in a consolidated manner; or (iv) other pending litigation as determined to be material by the Board pursuant to the Materiality Policy, in accordance with the SEBI ICDR Regulations, in each case involving the Company, its Promoters, Directors and Subsidiaries (“**Relevant Parties**”). Further, there are no disciplinary actions including penalties imposed by SEBI or stock exchanges against the Promoters in the last five Fiscals, including any outstanding action.

Based on the Materiality Policy, the DRHP includes details of civil litigations/arbitrations involving the Relevant Parties: (a) the monetary amount of claim by or against the Relevant Parties in any such pending proceeding in excess of 5% of the average of absolute value of profit or loss after tax of the Company in the last three Fiscals, as per included in the Restated Consolidated Financial Information, i.e, ₹ 53.40 million; (b) any outstanding litigation, where the monetary impact is not quantifiable or does not exceed the threshold mentioned in point (a) above, but an adverse outcome of which would materially and adversely affect the Company’s business,

	
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prospects, operations, performance, financial position or reputation; (c) any outstanding litigation wherein the decision in one litigation is likely to affect the decision in similar litigations, such that the cumulative amount involved exceeds the Materiality Threshold, even though the amount involved in an individual litigation may not exceed the Materiality Threshold; and; (c) pre-litigation notices received from third parties (excluding those notices issued by statutory / regulatory / judicial / quasi-judicial / tax authorities or notices threatening criminal action) have not, been considered as litigation until such time that the respective Relevant Party, as the case may be, is not impleaded as a defendant in litigation before any judicial or arbitral forum.

The Company has provided supporting documents for cases involving the Company in the online virtual access data room. For litigation involving the Promoters, Group Companies, Directors (as applicable), the Company has provided certification received from the relevant Promoters, Group Companies and Directors.

In accordance with the SEBI ICDR Regulations, in relation to litigation involving Group Companies, the Company is required to disclose only such pending litigation, which has a material impact on the Company. The Company has provided a certificate from the respective Group Companies stating that there is no pending litigation involving such Group Companies, which may have a material impact on the Company.

Based on the materiality policy adopted by the Board of Directors in its meeting held on September 23, 2024, disclosures on material creditors have been included in the DRHP, while disclosures on dues to other creditors have been provided indicating the total number of, and aggregate outstanding amounts due to such creditors.

## 6. *Statutory and/or regulatory related and other diligence*

In connection with diligence of statutory and regulatory matters, relevant statutory and regulatory records of the Company were reviewed, with the assistance of the Legal Counsel, including, among other things, relevant corporate records and filings made by the Company with various statutory and regulatory authorities and the material licenses, approvals and registrations applied for and/ or received by the Company to undertake its business activities. Representations and certifications provided by the Company in connection with such statutory and/ or regulatory matters were relied on. In connection with the diligence of the manufacturing units of the Company, we have reviewed the material approvals pertaining to business, labour and employment and tax.

In relation to the build-up of the existing share capital of the Company, we have reviewed the statutory forms and resolutions filed with the RoC and statutory registers prepared and maintained by the Company. The Company is unable to trace certain corporate records and regulatory filings made by them, including form filings and challans in relation share allotments and share transfers. We have included details in the DRHP based on other corporate records such as the board resolutions. For further details, please see “*Risk Factors –We are unable to trace some of our historical records including forms filed with the Registrar of Companies.*” on page 46 of the DRHP. Also, appropriate notes have been included in the section titled “*Capital Structure*” on page 99 of the DRHP, along with appropriate cross-references to the above-mentioned risk factor. We have relied on the certifications provided by the Company and a certificate and RoC search report dated September 28, 2024 provided by a practicing company secretary, Anuj Gupta & Associates, Company Secretaries, confirming details of such documents which the Company has been unable to trace.

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 material approvals that are required to be obtained by the Company to carry out its business, followed by a due diligence exercise of such material approvals.

	
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We have also reviewed the shareholders' agreements and other material agreements 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.

## 7. **Key Performance Indicators**

Suitable disclosures have been made in line with the SEBI ICDR Regulations in relation to key performance indicators of the Company in the section “*Basis for Offer Price*” and other relevant sections in the DRHP. Further, such key performance indicators were approved by the Audit Committee of the Board of Directors pursuant to its resolution dated September 30, 2024.

The Company shall continue to disclose such key performance indicators, on a periodic basis, at least once in a year (or for any lesser period as determined by the Board), until the later of (a) for a duration of one year after the date of listing of the Equity Shares on the Stock Exchanges; or (b) complete utilisation of the proceeds of the Fresh Issue as disclosed in the DRHP, or such other duration as required under the SEBI ICDR Regulations.

Such key performance indicators disclosed by the Company have been certified by the Independent Chartered Accountant, and such certificate dated September 30, 2024, issued by the Independent Chartered Accountant, is included in the section “*Material Contracts and Documents for Inspection*” of the DRHP and will be available as a material document for inspection by the public in relation to the Offer, in accordance with the RHP.

## 8. **Objects of the Offer**

The proposed objects of the Offer are (i) prepayment and/or repayment of all or a portion of certain outstanding borrowings availed by our Company; and (ii) General corporate purposes. The Statutory Auditors, vide their certificate dated September 30, 2024, have confirmed that the loans which are proposed to be repaid/prepaid by the Company from the Net Proceeds, have been utilized for the purposes for which such loans were availed.

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

The details of the same have been disclosed in accordance with the requirements of the SEBI ICDR Regulations.

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

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

	
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### ANNEXURE III B

**Checklist confirming regulation-wise compliance with the applicable provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended.**

*[Annexed separately]*