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Draft Red Herring Prospectus

100% Book Built Offer

Dated: February 22, 2025

Please read section 26 & 32 of the Companies Act, 2013

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



## CHATTERBOX TECHNOLOGIES LIMITED

Corporate Identification Number: U93000MH2016PLC273833

Registered Office	Corporate Office	Contact Person	Email and Telephone	Website
Unit No. 101 VIP Plaza Cooperative Premises Society Ltd, Andheri New Link Road, Opp Infinity Mall Behind Crystal Plaza, Andheri, Mumbai - 400053, Maharashtra, India.	N.A.	Ms. Prachi Parag Kela, Company Secretary and Compliance Officer	<b>E-mail:</b> info@chtrbox.com <b>Tel:</b> +91 22 4451 4288	www.chtrbox.com

### PROMOTERS:

QYOU MEDIA INC. AND RAJNANDAN MISHRA

### DETAILS OF ISSUE TO PUBLIC

Type of Issue	Fresh Issue Size	Offer For Sale Size	Total Issue Size	ELIGIBILITY AND SHARE RESERVATION AMONGST QIBS, NIIS AND RIIS
Fresh Issue	Upto 37,27,200 Equity Shares aggregating upto ₹ [●] Lakhs	N.A.	Upto 37,27,200 Equity Shares aggregating upto ₹ [●] Lakhs	This Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018 as amended. The Issue is being made in terms of Rule 19(2)(b) of the Securities Contract (Regulation) Rules, 1957 through Book Building Process in accordance with Regulation 229 (2) and 253 (1) of SEBI (ICDR) Regulations, as the Company's post Offer paid up capital is more than ₹ 10.00 Cr but upto ₹ 25.00 Cr.

### RISKS IN RELATION TO FIRST OFFER

This being the first public issue of Equity Shares of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹10/- each. and the Issue Price of ₹ [●] is [●] times of the face value of the Equity Shares. The Floor Price, Cap Price and Issue Price (determined and justified by our Company in consultation with the Book Running Lead Manager in accordance with SEBI ICDR Regulations and on the basis of the assessment of market demand for the Equity Shares by way of Book Building process as stated in chapter titled "Basis for Issue Price" beginning on page no. 89, should not be considered to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

### GENERAL RISKS

Investments in Equity and Equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares issued 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 Draft Red Herring Prospectus. Specific attention of the investors is invited to "Risk Factors" beginning on page 23.


### ISSUER'S ABSOLUTE RESPONSIBILITY

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


### LISTING

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

### BOOK RUNNING LEAD MANAGER

NAME AND LOGO	NAME OF CONTACT PERSON	EMAIL AND TELEPHONE
 EXPERT GLOBAL CONSULTANTS PRIVATE LIMITED	Mr. Gaurav Jain	<b>Tel No.:</b> +91 11 4509 8234 <b>Email:</b> ipo@expertglobal.in

### REGISTRAR TO THE OFFER

NAME AND LOGO	NAME OF CONTACT PERSON	EMAIL AND TELEPHONE
 BIGSHARE SERVICES PRIVATE LIMITED	Mr. Babu Rapheal C.	<b>Tel. No.:</b> +91 22 6263 8200 <b>Email:</b> ipo@bigshareonline.com

### BID/ OFFER PROGRAMME

ANCHOR INVESTOR BIDDING ISSUE PERIOD OPENS ON *	: [●]
BID/ OFFER OPENS ON *	: [●]
BID/ OFFER CLOSES ON ** #	: [●]

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

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

# The UPI mandate end time and date shall be at 5:00 p.m. on Bid / Issue Closing Day.



## CHATTERBOX TECHNOLOGIES LIMITED

Our Company was incorporated as Chatterbox Technologies Private Limited on March 03, 2016 under the Companies Act, 2013 with the Registrar of Companies, Maharashtra at Mumbai. The status of the Company was changed to public limited and the name of our Company was changed to Chatterbox Technologies Limited vide Special Resolution dated October 28, 2024. The fresh certificate of incorporation consequent to conversion was issued on December 04, 2024 by the Registrar of Companies, Central Processing Centre. The Corporate Identification Number of our Company is U93000MH2016PLC273833. For further details of our Company, see "General Information" and "History and Certain Other Corporate Matters" on pages 53 and 132, respectively.

**Registered Office:** Unit No. 101 VIP Plaza Cooperative Premises Society Ltd, Andheri New Link Road, Opp Infinity Mall Behind Crystal Plaza, Andheri, Mumbai - 400053, Maharashtra, India; **Corporate Office:** N.A.; **Tel No.:** +91 22 4451 4288; **Email:** info@chtrbox.com; **Website:** www.chtrbox.com; **Contact Person:** Prachi Parag Kela, Company Secretary and Compliance Officer.

PROMOTERS: QYOU MEDIA INC. AND RAJNANDAN MISHRA	
<p><b>INITIAL PUBLIC OFFERING OF UP TO 37,27,200 EQUITY SHARES OF ₹10 EACH ("EQUITY SHARES") OF CHATTERBOX TECHNOLOGIES LIMITED ("CTL" OR THE "COMPANY") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (THE "ISSUE PRICE"), AGGREGATING UP TO ₹ [●] LAKHS ("THE OFFER"). OF THE OFFER, UPTO 1,87,200 EQUITY SHARES AGGREGATING UPTO ₹ [●] LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER ("MARKET MAKER RESERVATION PORTION"). THE OFFER LESS THE MARKET MAKER RESERVATION PORTION I.E. OFFER OF 35,40,000 EQUITY SHARES OF FACE VALUE OF ₹ 10.00 EACH AT AN ISSUE PRICE OF ₹ [●] PER EQUITY SHARE AGGREGATING TO ₹ [●] LAKHS IS HEREINAFTER REFERRED TO AS THE "NET OFFER". THE OFFER AND THE NET OFFER WILL CONSTITUTE [●] % AND [●]%, RESPECTIVELY OF THE POST OFFER PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY. FOR FURTHER DETAILS, SEE "TERMS OF THE OFFER" ON PAGE 230 OF THE DRAFT RED HERRING PROSPECTUS.</b></p> <p><b>THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BRLM AND WILL BE ADVERTISED IN [●] EDITION OF [●] (A WIDELY CIRCULATED ENGLISH NATIONAL DAILY NEWSPAPER) AND [●] EDITION OF [●] (A WIDELY CIRCULATED HINDI NATIONAL DAILY NEWSPAPER, AND MARATHI EDITION OF [●], REGIONAL NEWSPAPER (MARATHI BEING THE REGIONAL LANGUAGE OF MHARASTHRA WHERE OUR REGISTERED OFFICE IS LOCATED), AT LEAST TWO WORKING DAYS PRIOR TO THE BID/ISSUE OPENING DATE AND SHALL BE MADE AVAILABLE TO [●] ("[●]") FOR THE PURPOSES OF UPLOADING ON THEIR WEBSITE.</b></p>	
THE FACE VALUE OF THE EQUITY SHARES IS ₹ 10.00 EACH AND THE ISSUE PRICE OF ₹ [●] IS [●] TIMES OF THE FACE VALUE	
<p>In case of any revision in the Price Band, the Bid/Issue Period shall be extended for at least three additional Working Days after such revision of the Price Band, subject to the total Bid/Issue Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company, for reasons to be recorded in writing extend the Bid/Issue Period for a minimum of three Working Days, subject to the Bid/Issue Period not exceeding 10 Working Days. Any revision in the Price Band, and the revised Bid/Issue Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges by issuing a press release and also by indicating the change on the website of the BRLM and at the terminals of the Members of the Syndicate and by intimation to Designated Intermediaries and Sponsor Bank, as applicable.</p> <p>The Issue is being made through the Book Building Process, in terms of Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended ("SCRR") read with Regulation 253 of the SEBI ICDR Regulations, as amended, wherein not more than 50% of the Net Issue shall be allocated on a proportionate basis to Qualified Institutional Buyers ("QIBs", the "QIB Portion"), provided that our Company may, in consultation with the Book Running Lead Manager, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations ("Anchor Investor Portion"), of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to QIBs. Further, not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Issue shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price. All potential Bidders (except Anchor Investors) are required to mandatorily utilize the Application Supported by Blocked Amount ("ASBA") process providing details of their respective ASBA accounts, and UPI ID in case of RIBs using the UPI Mechanism, if applicable, in which the corresponding Bid Amounts will be blocked by the SCSBs or by the Sponsor Bank under the UPI Mechanism, as the case may be, to the extent of respective Bid Amounts. Anchor Investors are not permitted to participate in the Issue through the ASBA process. For details, see "Issue Procedure" beginning on page 241 of the Draft Red Herring Prospectus.</p>	
RISKS IN RELATION TO FIRST OFFER	
<p>This being the first public issue of Equity Shares of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹10/- each and the Floor Price, Cap Price and Issue Price (determined and justified by our Company in consultation with the Book Running Lead Manager in accordance with SEBI ICDR Regulations and on the basis of the assessment of market demand for the Equity Shares by way of Book Building process as stated in chapter titled "Basis for Issue Price" beginning on page 89 should not be considered 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.</p>	
GENERAL RISKS	
<p>Investments in Equity and Equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares issued 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 Draft Red Herring Prospectus. Specific attention of the investors is invited to "Risk Factors" on page 23 of the Draft Red Herring Prospectus.</p>	
ISSUER'S ABSOLUTE RESPONSIBILITY	
<p>Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect.</p>	
LISTING	
<p>The Equity Shares offered through this Red Herring Prospectus are proposed to be listed on the SME Platform of BSE Limited ("BSE") in terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. Our Company has received the "in-principal" approval letter dated [●], from BSE for using its name in the Red Herring Prospectus / Prospectus for listing of our shares on the SME Platform of BSE. For the purpose of this Offer, the Designated Stock Exchange will be BSE.</p>	
BOOK RUNNING LEAD MANAGER	REGISTRAR TO THE OFFER
<p><b>EXPERT GLOBAL CONSULTANTS PRIVATE LIMITED</b> 1511, RG Trade Tower, Netaji Subhash Place, Pitampura, New Delhi, India <b>Tel No.:</b> +91 11 4509 8234 <b>Email:</b> ipo@expertglobal.in <b>Investor Grievance Email:</b> compliance@expertglobal.in <b>Website:</b> www.expertglobal.in <b>SEBI Registration No.:</b> INM000012874 <b>Contact Person:</b> Gaurav Jain</p>	<p><b>BIGSHARE SERVICES PRIVATE LIMITED</b> S6-2, 6<sup>th</sup> Floor, Pinnacle Business Park, Mahakali Caves Road, Next to Ahura Centre, Andheri East, Mumbai - 400 093, Maharashtra, India <b>Tel. No.:</b> +91 22 6263 8200 <b>Email:</b> ipo@bigshareonline.com <b>Website:</b> www.bigshareonline.com <b>Investor Grievance Email:</b> investor@bigshareonline.com <b>SEBI Registration No.:</b> INR000001385 <b>Contact Person:</b> Babu Rapheal C.</p>
BID/ OFFER PROGRAMME	
<b>ANCHOR INVESTOR BIDDING ISSUE PERIOD OPENS ON *</b>	: [●]
<b>BID/ OFFER OPENS ON *</b>	: [●]
<b>BID/ OFFER CLOSING ON ** #</b>	: [●]

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

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

# The UPI mandate end time and date shall be at 5:00 p.m. on Bid / Issue Closing Day.

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## SECTION I – GENERAL

### DEFINITIONS AND ABBREVIATIONS

*This Draft Red Herring Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, or unless otherwise specified, 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, supplemented or re-enacted from time to time, and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.*

*The words and expressions used in this Draft Red Herring Prospectus but not defined herein, shall have, to the extent applicable, the same meaning ascribed to such terms under the SEBI ICDR Regulations, the Companies Act, the SCRA, the Depositories Act and the rules and regulations made thereunder. Further, Issue related terms used but not defined in this Draft Red Herring Prospectus and Red Herring Prospectus shall have the meaning ascribed to such terms under the General Information Document.*

*Notwithstanding the foregoing, the terms used in the sections “Industry Overview”, “Key Industrial Regulations And Policies In India”, “Statement of Tax Benefits”, “Financial Information”, “Basis for Issue Price”, “Outstanding Litigation and Material Developments” and “Main Provisions of the Articles of Association” beginning on pages 98,126, 95,160, 89, 205 and 272 respectively, of this DRHP shall have the meaning ascribed to them in the relevant section.*

#### Company Related Terms

Term	Description
“Chatterbox Technologies Limited”, “CTL”, “Chtrbox”, “Chatterbox”, “We” or “us” or “our Company” or “the Issuer”	Unless the context otherwise requires, refers to Chatterbox Technologies Limited, a Company incorporated under the Companies Act, 2013 and having its registered office at Unit No. 101 VIP Plaza Cooperative Premises Society Ltd, Andheri New Link Road, Opp Infinity Mall Behind Crystal Plaza, Andheri, Mumbai - 400053, Maharashtra, India.
“we”, “us”, or “our”	Unless the context otherwise indicates or implies, our Company.
“you”, “your” or “yours”	Prospective investors in this Offer
AOA/Articles / Articles of Association	Unless the context otherwise requires, refers to the Articles of Association of our Company, as amended from time to time.
Audit Committee	The committee of the Board of Directors constituted as the Company’s Audit Committee in accordance with Regulation 18 of the SEBI (LODR) Regulations and Section 177 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014
Board/ Board of Directors / Our Board	The Board of Directors of our Company, including all duly constituted Committees thereof.
Compliance Officer	The Company Secretary of our Company, being Prachi Parag Kela, Company Secretary and Compliance Officer.
Director(s)	Director(s) on the Board of our Company, as appointed from time to time, unless otherwise specified.
Equity Shareholders	The holders of the Equity Shares
Equity Shares/Shares	The equity shares of our Company of a face value of ₹10.00 each unless otherwise specified in the context thereof
Group Companies / Group Entities	Such companies as covered under the applicable accounting standards, being Accounting Standard 18 or other entities as considered material in accordance with the Materiality Policy, as described in “Our Group Entities” on page 155.
Key Management Personnel / KMP	Key management personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI (ICDR) Regulations, Section 2(51) of the Companies Act, 2013. For details, please refer “Our Management” on page 137.
Materiality Policy	A policy adopted by our Company, in its Board meeting held on December 12, 2024 for identification of group companies, material creditors and material litigations.
MoA / Memorandum of Association	The Memorandum of Association of our Company, as amended from time to time.
Managing Director	Rajnandan Mishra, being the Managing Director of our Company
Peer Reviewed Auditor / Statutory Auditor	The independent peer reviewed Statutory Auditor of our Company M/s. Joy Mukherjee & Associates, Chartered Accountants bearing Peer Review No: 015511 (valid till June 30, 2026)
Promoter Group	Persons and entities constituting the promoter group of our Company, pursuant to Regulation

	2(1)(pp) of the SEBI (ICDR) Regulations.
Promoters	QYOU Media Inc. and Rajnandan Mishra
Registered Office	The registered office of our Company situated at Unit No. 101 VIP Plaza Cooperative Premises Society Ltd, Andheri New Link Road, Opp Infinity Mall Behind Crystal Plaza, Andheri, Mumbai - 400053, Maharashtra, India.
Registrar of Companies / ROC	Registrar of Companies, Mumbai, Maharashtra
Restated Summary Statements	Audited restated summary statements of assets and liabilities for the period ended December 31, 2024 and as at March 31, 2024, 2023 and 2022 and audited restated summary statements of profits and losses and cash flows for the period / financial years ended March 31, 2024, 2023 and 2022 of the Company.
Senior Managerial Personnel	Senior management personnel of our Company in terms of Regulation 2(1)(bbbb) of the SEBI ICDR Regulations as described in “ <i>Our Management – Senior Management Personnel of our Company</i> ” on page 136 of this Draft Red Herring Prospectus.
Stakeholders Relationship Committee	Stakeholders’ relationship committee of our Board, constituted in accordance with the applicable provisions of the Companies Act, 2013 and the SEBI Listing Regulations, and as described in “ <i>Our Management</i> ”, beginning on page 137 of this Draft Red Herring Prospectus.

### Offer Related Terms

Term	Description
Acknowledgement Slip	The slip, document or counter foil issued by the Designated Intermediary to an Applicant as proof of having accepted the Application Form.
Abridged Prospectus	Abridged Prospectus means a memorandum containing such salient features of a Prospectus as may be specified by SEBI in this behalf. Abridged Prospectus is to be issued under SEBI ICDR Regulations and appended to the Application Forms.
Allot / Allotment / Allotted	Unless the context otherwise requires, allotment of the Equity Shares pursuant to the Offer of Equity Shares to the successful Applicants.
Allot/ Allotment/ Allotted	Unless the context otherwise requires, allotment of Equity Shares pursuant to the Issue to the successful Applicants.
Allotment Advice	A note or advice or intimation of Allotment sent to the successful Applicants who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange.
Applicant(s)/Investor	Any prospective investor who makes an application pursuant to the terms of the Prospectus and the Application Form and unless otherwise stated or implied includes an ASBA Applicant.
Application Form	The Form (with and without the use of UPI, as may be applicable), in terms of which the prospective investors shall apply for our Equity Shares in the Issue.
Allottee	A successful Applicant to whom the Equity Shares are Allotted.
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations and the Draft Red Herring Prospectus and who has Bid for an amount of at least ₹ 200 lakhs.
Application Supported by Blocked Amount/ ASBA	An application, whether physical or electronic, used by an Applicant authorizing a SCSB to block the application amount in the ASBA Account maintained with the SCSB and will include amounts blocked by SCSB upon acceptance of UPI Mandate Request by UPI Applicants using the UPI Mechanism
ASBA Account	A bank account maintained with an SCSB and specified in the ASBA Form submitted by ASBA Applicants for blocking the Bid Amount mentioned in the ASBA Form and will include amounts blocked by SCSB upon acceptance of UPI Mandate Request by UPI Applicants using the UPI Mechanism.
ASBA Applicant(s)	Any prospective investors in this Offer who applies for Equity Shares of our Company through the ASBA process in terms of the Draft Red Herring Prospectus.
ASBA Bid	A Bid made by an ASBA Bidder
ASBA Form(s)	An application form, whether physical or electronic, used by ASBA Applicant and which will be considered as the application for Allotment in terms of the Prospectus

Term	Description
Bankers to the Offer/ Public Offer Bank/ Refund Banker/ Sponsor Banker	The banks which are clearing members and registered with SEBI as Banker to an Offer with whom the Public Offer Account will be opened and in this case being [●] Limited.
Banker to the Offer Agreement	Agreement to be entered into amongst the Company, LM, the Registrar, Sponsor Bank, and the Banker of the Offer.
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful Applicants under the Offer, described in “Offer Procedure” on page 241.
Bid	An indication to make an Offer during the Bid/Offer Period by an ASBA Bidder pursuant to submission of the ASBA Form to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations and in terms of the Draft Red Herring Prospectus and the relevant Bid cum Application Form. The term “Bidding” shall be construed accordingly.
Bid Amount	The amount at which the bidder makes a bid for the Equity Shares of our Company in terms of Draft Red Herring Prospectus.
Bid cum Application Form	The form in terms of which the bidder shall make a bid, including ASBA Form, and which shall be considered as the bid for the Allotment pursuant to the terms of this Draft Red Herring Prospectus
Bidding Centers	The centers at which the Designated Intermediaries shall accept the ASBA Forms to a Registered Broker, i.e., Designated SCSB Branches for SCSBs, Specified Locations for Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs
Book Running Lead Manager/ BRLM	The Book Running Lead Manager to the Issue, being Expert Global Consultants Private Limited.
Book Building Process	Book building process, as provided in Part A of Schedule XIII of the SEBI ICDR Regulations, in terms of which the Offer is being made.
Broker Centres	Broker centres notified by the Stock Exchange, where the Applicants can submit the Application Forms to a Registered Broker. The details of such broker centres, along with the name and contact details of the Registered Brokers, are available on the website of BSE on the following link <a href="http://www.nseindia.com">www.nseindia.com</a> .
Broker to the Offer	All recognized members of the stock exchange would be eligible to act as the Broker to the Offer.
BSE SME	The SME Platform of BSE, approved by SEBI as an SME Exchange for listing of equity shares Issued under Chapter IX of the SEBI (ICDR) Regulations, 2018.
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
Cap Price	The higher end of the Price Band, subject to any revisions thereto, above which the Issue Price will not be finalised and above which no Bids will be accepted
Client ID	Client identification number of the Applicant's beneficiary account.
Collecting Depository Participant or CDP	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.
Circular on Streamlining of Public Issues/ UPI Circular	Circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018, circular (SEBI/HO/CFD/DIL2/CIR/P/2019/50) dated April 3, 2019, circular (SEBI/HO/CFD/DIL2/CIR/P/2019/76) dated June 28, 2019, circular (SEBI/HO/CFD/DIL2/CIR/P/2019/85) dated July 26, 2019, circular no. (SEBI/HO/CFD/DCR2/CIR/P/2019/133) dated November 8, 2019, circular no. (SEBI/HO/CFD/DIL2/CIR/P/2020/50) dated March 30, 2020, circular no. (SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M) dated March 16, 2021, circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI/HO/CFD/DIL2/CIR/2022/75 dated May 30, 2022 and SEBI circular number SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, SEBI master circular with circular number SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated May 17, 2023 and SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 09, 2023 (to the extent that such circulars pertain to the UPI Mechanism), SEBI master circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023, along with the circular issued by the National Stock

Term	Description
	Exchange of India Limited having reference no. 25/2022 dated August 3, 2022 and the circular issued by BSE Limited having reference no. 20220803-40 dated August 3, 2022 and any subsequent circulars or notifications issued by SEBI and Stock Exchanges in this regard.
Collection Centres	Centres at which the Designated Intermediaries shall accept the ASBA Forms.
Controlling Branches of the SCSBs	Such branches of the SCSBs which coordinate with the Book Running Lead Manager, the Registrar to the Offer and the Stock Exchange and a list of which is available at <a href="http://www.sebi.gov.in">www.sebi.gov.in</a> or at such other website as may be prescribed by SEBI from time to time.
Demographic Details	The details of the Applicants including the Applicants' address, names of the Applicants' father/husband, investor status, occupations, and bank account details.
Depository /Depositories	A depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996.
Depository Participant / DP	A depository participant as defined under the Depositories Act, 1996
Designated CDP Locations	Such locations of the CDPs where Applicants can submit the Application Forms to Collecting Depository Participants. 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 website of the Stock Exchange ( <a href="http://www.bseindia.com">www.bseindia.com</a> ).
Designated Date	The date on which relevant amounts are transferred from the ASBA Accounts to the Public Issue Account or the Refund Account, as the case may be, and/or the instructions are issued to the SCSBs (in case of UPI Bidders using the UPI Mechanism, instruction issued through the Sponsor Bank) for the transfer of amounts blocked by the SCSBs in the ASBA Accounts to the Public Issue Account, in terms of the Prospectus following which Equity Shares will be Allotted in the Issue.
Designated Intermediaries / Collecting Agent	In relation to ASBA Forms submitted by RIBs authorising an SCSB to block the Bid Amount in the ASBA Account, Designated Intermediaries shall mean SCSBs. In relation to ASBA Forms submitted by UPI Bidders where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by such UPI Bidders using the UPI Mechanism, Designated Intermediaries shall mean Syndicate, sub-Syndicate/agents, Registered Brokers, CDPs, SCSBs and RTAs. In relation to ASBA Forms submitted by QIBs and Non-Institutional Bidders (not using the UPI Mechanism), Designated Intermediaries shall mean Syndicate, sub-Syndicate/ agents, SCSBs, Registered Brokers, the CDPs and RTAs.
Designated Market Maker / Market Maker	In our case, [●].
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 website of the Stock Exchange ( <a href="http://www.bseindia.com">www.bseindia.com</a> ).
Designated SCSB Branches	Such branches of the SCSBs which collected the ASBA Application Form from the applicants and a list of which is available on the website of SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> or at such other website as may be prescribed by SEBI from time to time.
Designated Stock Exchange	SME Platform of BSE Limited ("BSE SME")
Draft Red Herring Prospectus / DRHP	The Draft Red Herring Prospectus dated February 22, 2025, filed with BSE Limited.
Eligible FPI(s)	Foreign Portfolio Investors from such jurisdictions outside India where it is not unlawful to make an offer / invitation under the Issue and in relation to whom the Application Form and the Prospectus constitutes an invitation to subscribe to the Equity Shares.
Eligible NRI	A non-resident Indian, resident in a jurisdiction outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the Draft Red Herring Prospectus constitutes an invitation to subscribe for the Equity Shares.
Eligible QFIs	QFIs from such jurisdictions outside India where it is not unlawful to make an Offer or invitation under the Offer and in relation to whom the Prospectus constitutes an invitation to purchase the Equity Shares offered thereby and who have opened demat accounts with SEBI registered qualified depository participants.
Equity Shares	Equity Shares of our Company of face value Rs. 10/- each
Electronic Transfer of	Refunds through NACH, NEFT, Direct Credit or RTGS as applicable.



Term	Description
Funds	
Eligible QFI	Qualified Foreign Investors from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the Draft Red Herring Prospectus constitutes an invitation to purchase the Equity Shares offered thereby and who have opened dematerialised accounts with SEBI registered qualified depository participants as QFIs and are deemed as FPIs under the SEBI FPI Regulations.
First Applicant	The Applicant whose name appears first in the Application Form or the Revision Form.
Escrow Account(s)	Account(s) opened with the Bank(s) to the Issue pursuant to Escrow and Sponsor Bank Agreement
Escrow Collection Bank(s)	The Bank(s) which are clearing members and registered with SEBI as bankers to an issue under the SEBI (Bankers to an Issue) Regulations, 1994 and with whom the Escrow Account(s) will be opened, in this case being [●]
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
Floor Price	The lower end of the Price Band, subject to any revision(s) thereto, not being less than the face value of Equity Shares, at or above which the Issue Price will be finalized and below which no Bids will be accepted.
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 under 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.
Fraudulent Borrower	Fraudulent borrower as defined under Regulation 2(1) (III) of the SEBI ICDR Regulations
General Information Document	The General Information Document for investing in public issues prepared and issued in accordance with the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and the circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, and the UPI Circulars, as amended from time to time. The General Information Document shall be available on the websites of the Stock Exchange and the Book Running Lead Manager.
Offer / Issue / Public Offer/ Offer size / Initial Public Offer/ Initial Public Offering / IPO	Initial Public Offering of up to 37,27,200 Equity Shares of ₹10 each (“Equity Shares”) of Chatterbox Technologies Limited (“CTL” or the “company”) for cash at a price of ₹ [●] per equity share (the “Issue Price”), aggregating to ₹ [●] lakhs (“the Offer”). Of the Offer, 1,87,200 Equity Shares aggregating to ₹ [●] lakhs will be reserved for subscription by Market Maker (“Market Maker Reservation Portion”). The Offer less the Market Maker Reservation Portion i.e. Offer of 35,40,000 Equity Shares of face value of ₹ 10.00 each at an Issue Price of ₹ [●] per Equity Share aggregating to ₹ [●] lakhs is hereinafter referred to as the “Net Offer”.
Offer Agreement / MoU	The agreement dated February 06, 2025 entered into amongst our Company and the Book Running Lead Manager, pursuant to which certain arrangements are agreed to in relation to the Offer.
Offer Closing Date	The date on which the Offer closes for subscription. In this case being [●]
Offer Opening Date	The date on which the Offer opens for subscription. In this case being [●]
Offer Period	The period between the Offer Opening Date and the Offer Closing Date, inclusive of both days during which prospective Applicants can submit their Applications, including any revisions thereof.
Issue Price	The price at which Equity Shares are being offered by our Company being ₹ [●] per Equity Share.
Listing Agreement	Unless the context specifies otherwise, this means the Equity Listing Agreement to be signed between our Company and the BSE.
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 1,87,200 Equity shares of ₹ 10 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 Book Running 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?doRecognisedFpi=yes&amp;intmId=43">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=43</a>

Term	Description
	or such other website as may be updated from time to time, which may be used by RIIs to submit Bids using the UPI Mechanism
Mutual Funds	Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, as amended
Net Offer	The Offer (excluding the Market Maker Reservation Portion) of 35,40,000 Equity Shares of face value of ₹10.00 each at an Issue Price of ₹ [●] per equity share (the “Issue Price”), including a share premium of ₹ [●] per equity share aggregating to ₹ [●] Lakhs
Net Proceeds	Proceeds of the Offer that will be available to our Company, which shall be the gross proceeds of the Offer less the Offer expenses.
Non-Institutional Investors / NIIs	All Applicants, including Category III FPIs that are not QIBs or Retail Individual Investors who have made Application for Equity Shares for an amount of more than ₹2,00,000 (but not including NRIs other than Eligible NRIs).
Non-Institutional Portion	The portion of the Offer being not less than 15% of the Net Offer consisting of [●] Equity Shares which shall be available for allocation on a proportionate basis to Non-Institutional Bidders, subject to valid Bids being received at or above the Issue Price or through such other method of allocation as may be introduced under applicable law
Non-Resident	A person resident outside India, as defined under FEMA and includes NRIs, FPIs and FVCIs
NPCI	NPCI, a Reserve Bank of India (RBI) initiative, is an umbrella organization for all retail payments in India. It has been set up with the guidance and support of the Reserve Bank of India (RBI) and Indian Banks Association (IBA).
Net QIB Portion	The QIB Portion less the number of Equity Shares allocated to the Anchor Investors
Offer document	Includes Draft Red Herring Prospectus/ Red Herring Prospectus and Prospectus to be filed with Registrar of Companies.
Person/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 in accordance with the Companies Act, 2013, and the SEBI ICDR Regulations containing, <i>inter alia</i> , the Issue opening and closing dates, the size of the Issue including any other information thereto.
Public Offer Account	The account to be opened with the Banker to the Offer under Section 40 of the Companies Act, 2013 to receive monies from the ASBA Accounts on the Designated Date.
Public Issue Bank	The bank(s) which is a clearing member and registered with SEBI as a banker to an issue with which the Public Issue Account(s) is opened for collection of Application Amounts from Escrow Account(s) and ASBA Accounts on the Designated Date, in this case being [●]
Price Band	Price Band of a minimum price (Floor Price) of ₹ [●] and the maximum price (Cap Price) of ₹ [●]. The Price Band will be decided by our Company in consultation with the BRLM and advertised in two national daily newspapers (one each in English and in Hindi) with wide circulation and one daily regional newspaper with wide circulation at least two working days prior to the Bid / Offer Opening Date.
Pricing Date	The date on which our Company, in consultation with the BRLM, will finalise the Issue Price.
Qualified Institutional Buyers or QIBs	A qualified institutional buyer as defined under Regulation 2(1)(ss) of the SEBI (ICDR) Regulations.
QIB Category/ QIB Portion	The portion of the Net Issue (including the Anchor Investor Portion) being not more than 50% of the Net Issue, consisting of [●] Equity Shares aggregating to ₹ [●] lakhs which shall be Allotted to QIBs (including Anchor Investors) on a proportionate basis, including the Anchor Investor Portion (in which allocation shall be on a discretionary basis, as determined by our Company in consultation with the BRLM), subject to valid Bids being received at or above the Issue Price or Anchor Investor Issue Price (for Anchor Investors).
Qualified Foreign Investors / QFIs	Non-resident investors other than SEBI registered FPIs or sub-accounts or SEBI registered FVCIs who meet ‘know your client’ requirements prescribed by SEBI.
Red Herring Prospectus / RHP	The Red Herring Prospectus to be issued in accordance with Section 32 of the Companies Act, 2013 and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity Shares will be offered and the size of the Offer, including any addenda or corrigenda thereto.
Refund Account(s)	Accounts to which the monies to be refunded to the Applicants is transferred from the Public Offer Account in case listing of the Equity Shares does not occur.

Term	Description
Registered Brokers	Stock brokers registered with the stock exchanges having nationwide terminals.
Registrar Agreement	The Agreement between the Registrar to the Offer and the Issuer Company dated February 06, 2025, in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue.
Registrar and Share Transfer Agents or 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 to the Offer	The Registrar to the Offer being Bigshare Services Private Limited.
Retail Individual Investors/ RIIs	Applicants (including HUFs, in the name of Karta and Eligible NRIs) whose Application Amount for Equity Shares in the Offer is not more than ₹2,00,000/-.
Retail Portions	Portion of the Offer being not less than 35% of the Net Offer consisting of [●] Equity Shares which shall be available for allocation to RIBs (subject to valid Bids being received at or above the Issue Price), which shall not be less than the minimum Bid Lot subject to availability in the Retail Portion, and the remaining Equity Shares to be Allotted on a proportionate basis
Revision Form	The form used by the Applicants to modify the quantity of Equity Shares or the Application Amount in any of their Application Forms or any previous Revision Form(s), as applicable.
Reservation Portion	The portion of the Offer reserved for category of eligible bidders as provided under the SEBI (ICDR) Regulations, 2018
Reserved Category/ Categories	Categories of persons eligible for making bid under reservation portion
SEBI SCORES	Securities and Exchange Board of India Complaints Redress System
Self Certified Syndicate Banks or SCSBs	<p>The list of SCSBs notified by SEBI for the ASBA process is available at <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a>, or at such other website as may be prescribed by SEBI from time to time. A list of the Designated SCSB Branches with which an ASBA Bidder (other than a RIB using the UPI Mechanism), not bidding through Syndicate/Sub Syndicate or through a Registered Broker, RTA or CDP may submit the Application Forms, is available at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34</a> , or at such other websites as may be prescribed by SEBI from time to time. In relation to Bids submitted to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Application Forms from the members of the Syndicate is available on the website of the SEBI (<a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35</a>) and updated from time to time. For more information on such branches collecting Application Forms from the Syndicate at Specified Locations, see the website of the SEBI (<a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35</a>) as updated from time to time.</p> <p>In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, UPI Bidders Bidding using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI (<a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40</a>) and (<a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=43">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=43</a>) respectively, as 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</p>
SME Platform of BSE / SME Exchange / Stock Exchange	The SME Platform of BSE, approved by SEBI as an SME Exchange for listing of equity shares offered under Chapter IX of the SEBI (ICDR) Regulations.
Sponsor Bank	[●], being a Banker to the Offer, appointed by our Company to act as a conduit between the Stock Exchanges and NPCI in order to push the mandate collect requests and / or payment instructions of the RIBs into the UPI, and carry out other responsibilities, in terms of the SEBI circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 issued by SEBI
“Syndicate” Members of the	Together, the BRLM and the Syndicate Members

Term	Description
Syndicate	
Syndicate Agreement	The agreement to be entered into amongst our Company, the Selling Shareholders, the BRLM and the Syndicate Members, in relation to collection of Bids by the Syndicate.
Syndicate Members	Intermediaries (other than BRLM) registered with SEBI who are permitted to carry out activities in relation to collection of Bids and as underwriters, namely, [●]
Systemically Important Non-Banking Financial Companies	Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations.
Transaction Registration Slip/ TRS	The slip or document issued by a member of the Syndicate or an SCSB (only on demand), as the case may be, to the bidders, as proof of registration of the bid.
Underwriters	[●]
Underwriting Agreement	The agreement dated [●] entered into among the Underwriter and our Company.
UPI	Unified payments interface, which is an instant payment mechanism, developed by NPCI
UPI Applicants	Collectively, individual investors applying as Retail Individual Inventors in the Retail Portion, and Other than retail individual investors applying with an application size of more than ₹ 200,000 and up to ₹ 500,000 in the Other than Retail Investors category and applying under the UPI Mechanism.  Pursuant to Circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022 issued by SEBI, all individual investors applying in public issues where the application amount is up to ₹ 500,000 shall use UPI and shall provide their UPI ID in the application form submitted with: (i) a stock broker registered with a recognized stock exchange (whose name is mentioned on the website of the stock exchange as eligible for such activity), (ii) a depository participant (whose name is mentioned on the website of the stock exchange as eligible for such activity), and (iii) a registrar to an issue and share transfer agent (whose name is mentioned on the website of the stock exchange as eligible for such activity)
UPI ID	ID created on the UPI for single-window mobile payment system developed by NPCI
UPI ID Linked Bank Account	Account of the RIIs, applying in the Offer using the UPI mechanism, which will be blocked upon accepting the UPI mandate to the extent of the appropriate application amount and subsequent debit of funds in the case of allotment.
UPI Mandate Request	A request (intimating the UPI Applicants by way of a notification on the UPI application and by way of a SMS directing the RIB to such UPI mobile application) to the UPI Applicants 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	The mechanism using UPI that may be used by UPI Applicants to make an application in the Offer in accordance with the SEBI Circulars
UPI PIN	Password to authenticate UPI transaction
Wilful Defaulter(s)	Wilful defaulter as defined under Regulation 2(1)(III) of the SEBI Regulations.
Working Day(s)	“Working Day” means all days on which commercial banks in Mumbai are open for business. However, in respect of - (a) announcement of Price Band; and (b) Offer period, working day shall mean all days, excluding Saturdays, Sundays, and public holidays, on which commercial banks in Mumbai are open for business; (c) the time period between the Offer Closing Date and the listing of the Equity Shares on the Stock Exchange, working day shall mean all trading days of the Stock Exchange, excluding Sundays and bank holidays, as per circulars issued by SEBI.

#### Explanation for KPI metrics

KPI	Explanations
Revenue from Operations	Revenue from Operations is used by our management to track the revenue profile of the business and in turn helps assess the overall financial performance of our Company and size of our business.
Total income	Total income is used by the management to track revenue from operations and other income.
EBITDA	EBITDA provides information regarding the operational efficiency of the business.
EBITDA Margin (%)	EBITDA Margin (%) is an indicator of the operational profitability and financial performance of our business.
PAT	Profit after tax provides information regarding the overall profitability of the business.

KPI	Explanations
PAT Margin (%)	PAT Margin (%) is an indicator of the overall profitability and financial performance of our business.
Net Debt	Net Debt is an indicator of the Company's obligations to lenders net of liquid cash assets
Net Worth	Net worth is used by the management to ascertain the total value created by the entity and provides a snapshot of current financial position of the entity.
RONW (%)	RONW provides how efficiently our Company generates earnings from the equity capital employed in the business.

### Technical and Industry Related Terms

Term	Description
ARPU	Average Revenue Per User
AVGC	Animation, Visual Effects, Gaming, And Comics
CPI	Consumer Price Index
DGCA	Directorate General of Civil Aviation
DTH	Direct-To-Home
FFO	Film Facilitation Office
HFIs	High-Frequency Indicators
IBDF	Indian Broadcasting and Digital Foundation
IBF	Indian Broadcasting Foundation
IAMAI	Internet and Mobile Association of India
Influencer	An Influencer is someone who has access to an audience and the power to affect their audiences' purchasing decisions or opinions about a product, service, brand or experience, because of the influencer's authority, knowledge, position, or relationship with their audience.
Instagram	Instagram is a free to use, online photo and video sharing application and social network platform.
M&E	Media and Entertainment Sector
Macro influencer	An influencer with 100,000 to 10,00,000 followers on social media.
Mega influencer	An influencer with more than 10,00,000 followers on social media.
Micro influencer	An influencer with 10,000 to 100,000 followers on social media.
Nano influencer	An influencer with 100 to 10,000 followers on social media.
NFDC	National Film Development Corporation
OBS	Open Broadcaster Software: A free tool used for live streaming and recording video.
OTT	Over The Top: A method of streaming content over the internet without needing traditional TV services.
MoSPI	Ministry of Statistics & Programme Implementation
Social Media	Websites and applications that enable users to create and share content or to participate in social networking.
SRB	Self-Regulatory Body
SVOD	Subscription Video on Demand
TRAI	Telecom Regulatory Authority of India
TV	Television
VFX	Visual Effects
VLAN	Virtual Local Area Network: A virtual network that allows you to segment a network into smaller parts.
Youtube	YouTube is a free video-sharing website that lets users upload, view, and rate videos.

### Conventional and General Terms and Abbreviations

Term	Description
A/c	Account
AGM	Annual General Meeting
AIF(s)	Alternative Investment Funds
Air Act	Air (Prevention and Control of Pollution) Act, 1981
AS	Accounting Standards as issued by the Institute of Chartered Accountants of India
ASBA	Applications Supported by Blocked Amount
Authorised Dealers	Authorised Dealers registered with RBI under the Foreign Exchange Management (Foreign Currency Accounts) Regulations, 2000
AY	Assessment Year

Term	Description
B. A.	Bachelor of Arts
B.Com	Bachelor of Commerce
Banking Regulation Act	Banking Regulation Act, 1949
Bn	Billion
BSE	BSE Limited (formerly known as Bombay Stock Exchange Limited)
CAGR	Compounded Annual Growth Rate
Category I Foreign Portfolio Investor(s)	FPIs registered as Category I Foreign Portfolio Investors under the SEBI FPI Regulations.
Category II Foreign Portfolio Investor(s)	An FPI registered as a category II foreign portfolio investor under the SEBI FPI Regulations
Category III Foreign Portfolio Investor(s)	FPIs registered as category III FPIs under the SEBI FPI Regulations, which shall include all other FPIs not eligible under category I and II foreign portfolio investors, such as endowments, charitable societies, charitable trusts, foundations, corporate bodies, trusts, individuals and family offices
CBEC	Central Board of Excise and Customs
CDSL	Central Depository Services (India) Limited
Central Sales Tax Act	Central Sales Tax Act, 1956
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CIN	Corporate Identification Number
CIT	Commissioner of Income Tax
Companies Act	Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon notification of the Notified Sections) and the Companies Act, 2013, to the extent in force pursuant to the notification of the Notified Sections, read with the rules, regulations, clarifications and modifications thereunder
Companies Act 1956	Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon notification of the Notified Sections)
Companies Act 2013	Companies Act, 2013, to the extent in force pursuant to the notification of the Notified Sections, read with the rules, regulations, clarifications, and modifications thereunder
Consolidated FDI Policy	The current consolidated FDI Policy, effective from June 7, 2016, issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, and any modifications thereto or substitutions thereof, issued from time to time
Copyright Act	The Copyright Act, 1957
CSR	Corporate Social Responsibility
Depositories Act	Depositories Act, 1996
Depository	A depository registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996
DIN	Director Identification Number
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, GoI
DP	Depository Participant
DP ID	Depository Participant's identity number
DTC	Direct Tax Code, 2013
ECS	Electronic Clearing System
EGM	Extraordinary General Meeting
Environment Protection Act	Environment Protection Act, 1986
EPF Act	Employees' Provident Funds and Miscellaneous Provisions Act, 1952
EPS	Earnings per share
ESI Act	Employees' State Insurance Act, 1948
F&NG	Father and Natural Guardian
F&O	Futures and Options
FCNR Account	Foreign Currency Non-Resident (Bank) account established in accordance with the FEMA
FDI	Foreign Direct Investment
FEMA	The Foreign Exchange Management Act, 1999 read with rules and regulations thereunder
FEMA 20	The Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside

Term	Description
	India) Regulations, 2000
FII(s)	Foreign Institutional Investors as defined under SEBI FPI Regulations
Financial Year / Fiscal / Fiscal Year / FY	The period of 12 months commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year
FIPB	Foreign Investment Promotion Board
FMC	Forward Market Commission
FOB	Free on Board
Foreign Portfolio Investor or FPIs	A foreign portfolio investor, as defined under the SEBI FPI Regulations and registered with SEBI under applicable laws in India.
FTA	The Foreign Trade (Development and Regulation) Act, 1992
FVCI	Foreign Venture Capital Investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000) registered with SEBI
GDP	Gross Domestic Product
GIR Number	General Index Registry Number
GoI/Government	Government of India
Hazardous Wastes Rules	Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008
HUF(s)	Hindu Undivided Family(ies)
I.T. Act	Income Tax Act, 1961, as amended from time to time
ICAI	The Institute of Chartered Accountants of India
ICSI	The Institute of Company Secretaries of India
IFRS	International Financial Reporting Standards
IFSC	Indian Financial System Code
Income Tax Act	Income Tax Act, 1961
Indian GAAP	Generally Accepted Accounting Principles in India
INR or Rupee or ₹ or Rs.	Indian Rupee, the official currency of the Republic of India
Insider Trading Regulations	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended.
IPO	Initial Public Offering
ISIN	International Securities Identification Number
ISO	International Standards Organization
KMP	Key Managerial Personnel
KW	Kilo Watt
LIBOR	London interbank offered rate
Ltd.	Limited
M. A	Master of Arts
M. Com.	Master of Commerce
M.B.A	Master of Business Administration
MAPIN	Market Participants and Investors' Integrated Database
Maternity Benefit Act	Maternity Benefit Act, 1961
MCA	The Ministry of Corporate Affairs, GoI
MCI	Ministry of Commerce and Industry, GoI
Minimum Wages Act	Minimum Wages Act, 1948
Mn	Million
MoEF	Ministry of Environment and Forests
MoF	Ministry of Finance, Government of India
MOU	Memorandum of Understanding
Mutual Funds	Mutual funds registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
NA	Not Applicable
NAV	Net asset value
NIFTY	National Stock Exchange Sensitive Index
NLEM 2011	National List of Essential Medicines – 2011
No.	Number

Term	Description
Non-Resident	A person resident outside India, as defined under FEMA Regulations
Non-Resident Indian/ NRI	A person resident outside India, who is a citizen of India or a Person of Indian Origin as defined under FEMA Regulations, as amended
Notified Sections	The sections of the Companies Act, 2013 that have been notified by the MCA and are currently in effect
NPV	Net Present Value
NR/ Non-resident	A person resident outside India, as defined under the FEMA and includes a Non-resident Indian
NRE Account	Non-Resident External Account established and operated in accordance with the FEMA
NRO Account	Non-Resident Ordinary Account established and operated in accordance with the FEMA
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
NWR	Negotiable Warehouse Receipt
OCB	Overseas Corporate Bodies
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. <b>OCBs are not allowed to invest in this Offer.</b>
p.a.	per annum
P/E Ratio	Price/Earnings Ratio
PAC	Persons Acting in Concert
PAN	Permanent account number
PAT	Profit after tax
Patents Act	Patents Act, 1970
Payment of Bonus Act	Payment of Bonus Act, 1965
Payment of Gratuity Act	Payment of Gratuity Act, 1972
PCA Act	Prevention of Cruelty to Animals Act, 1960
PIL	Public Interest Litigation
PPP	Public private partnership
Pvt./(P)	Private
QFI(s)	Qualified Foreign Investor(s) as defined under the SEBI FPI Regulations
RBI	The Reserve Bank of India
RoC or Registrar of Companies	The Registrar of Companies, Maharashtra at Mumbai
ROE	Return on Equity
RONW	Return on Net Worth
RTGS	Real Time Gross Settlement
SCRA	Securities Contract (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time.
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act
SEBI (ICDR) Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended, including instructions and clarifications issued by SEBI from time to time
SEBI (LODR) Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including instructions and clarifications issued by SEBI from time to time
SEBI (Venture Capital) Regulations	Securities and Exchange Board of India (Venture Capital) Regulations, 1996 as amended from time to time.
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000



<b>Term</b>	<b>Description</b>
SEBI Takeover Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time.
Sec.	Section
SENSEX	Bombay Stock Exchange Sensitive Index
SICA	Sick Industrial Companies (Special Provisions) Act, 1985
SITP	Scheme for integrated textile parks
SME	Small and Medium Enterprise
SSD	SSD stands for Solid-State Drive. It's a type of computer storage device that uses integrated circuit assemblies to store data persistently.
SSI	Small Scale Industry
STT	Securities Transaction Tax
TPH	Tonnes per hour
Trademarks Act	The Trademarks Act, 1999
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America
U.S. Securities Act	The United States Securities Act, 1933
US\$ or USD or US Dollar	United States Dollar, the official currency of the United States of America
USA or U.S. or US	United States of America
VCF	Venture Capital Funds
VCFs	Venture capital funds as defined in and registered with the SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as the case may be
Wages Act	Payment of Wages Act, 1936
Workmen's Compensation Act	Workmen's Compensation Act, 1923

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

### Certain Conventions

In this Draft Red Herring Prospectus, the terms “we”, “us”, “our”, the “Company”, “our Company”, “Chatterbox Technologies Limited” and “CTL”, unless the context otherwise indicates or implies, refers to Chatterbox Technologies Limited. All references in this Draft Red Herring Prospectus to “India” are to the Republic of India. All references in this Draft Red Herring Prospectus to the “U.S.”, “USA” or “United States” are to the United States of America.

### Financial Data

Unless stated otherwise, the financial data in this Draft Red Herring Prospectus is derived from our audited period / financial years ended December 31, 2024, March 31, 2024, 2023 and 2022, prepared in accordance with Indian GAAP, the Companies Act and restated in accordance with the SEBI (ICDR) Regulations which are included in this Draft Red Herring Prospectus, and set out in ‘*Financial Statements*’ on page 160. Our Company’s financial year commences on April 1 of the immediately preceding calendar year and ends on March 31 of that particular calendar year, so all references to a particular financial year are to the 12 months period commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year.

There are significant differences between the Indian GAAP, the International Financial Reporting Standards (the “**IFRS**”) and the Generally Accepted Accounting Principles in the United States of America (the “**U.S. GAAP**”). Accordingly, the degree to which the financial statements included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices, the Indian GAAP, the Companies Act and the SEBI (ICDR) Regulations on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited. We have not attempted to quantify the impact of the IFRS or the U.S. GAAP on the financial data included in this Draft Red Herring Prospectus, nor do we provide a reconciliation of our financial statements to those under the U.S. GAAP or the IFRS and we urge you to consult your own advisors regarding such differences and their impact on our financial data.

Certain figures contained in this Draft Red Herring Prospectus, including financial information, have been subject to rounding adjustments. All decimals have been rounded off to two decimal points, except for figures in percentage. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row. However, where any figures that may have been sourced from third-party industry sources are rounded off to other than two decimal points in their respective sources, such figures appear in this Draft Red Herring Prospectus as rounded-off to such number of decimal points as provided in such respective sources.

### Currency and units of presentation

In this Draft Red Herring Prospectus, unless the context otherwise requires, all references to (a) ‘Rupees’ or ‘₹’ or ‘Rs.’ or ‘INR’ are to Indian rupees, the official currency of the Republic of India; (b) ‘US Dollars’ or ‘US\$’ or ‘USD’ or ‘\$’ are to United States Dollars, the official currency of the United States of America. All references to the word ‘Lakh’ or ‘Lac’ or ‘Lacs’, means ‘One hundred thousand’ and the word ‘Million’ means ‘Ten lakhs’ and the word ‘Crore’ means ‘Ten Million’ and the word ‘Billion’ means ‘One thousand Million’. Any percentage amounts, as set forth in “*Risk Factors*”, “*Our Business*”, “*Management’s Discussion and Analysis of Financial Conditions and Results of Operation*” and elsewhere in this Draft Red Herring Prospectus, unless otherwise indicated, have been calculated based on our Restated Financial Statement.

### Industry and Market Data

Unless stated otherwise, industry and market data used throughout this Draft Red Herring Prospectus has been obtained or derived from internal Company reports and industry and government publications, publicly available information and sources. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed, and their reliability cannot be assured. Although, our Company believes that industry data used in this Draft Red Herring Prospectus is reliable, it has not been independently verified. Further, the extent to which the industry and market data presented in this Draft Red Herring 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 we conduct our business, and methodologies and assumptions may vary widely among different industry sources.

## FORWARD-LOOKING STATEMENTS

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

These forward looking statements can generally be identified by words or phrases such as “will”, “aim”, “will likely result”, “believe”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “contemplate”, “seek to”, “future”, “objective”, “goal”, “project”, “should”, “will pursue” and similar expressions or variations of such expressions. Important factors that could cause actual results to differ materially from our expectations include but are not limited to:

1. Our Company, Promoters / directors and promoter group entities are involved in certain legal proceedings and potential litigations. Any adverse decision in such proceedings may render us/them liable to liabilities/penalties which may adversely affect our business, financial condition and results of operations.
2. We propose to utilize a portion of our Net Proceeds towards setting up of an additional office cum in-house Studio at Mumbai. Any delay or failure in successfully setting up our in-house Studio may affect our business growth, thereby affecting our future business plans, business operations and financial conditions.
3. In order to effectively manage our growth and/ or to successfully implement our business plan and growth strategies, our company proposes to invest upto Rs. 1110.00 Lakhs towards the capital expenditure. In case there is delay or failure towards deploying of capital expenditure in a structured manner, it could have an adverse effect on our business, results of operations and financial condition.
4. Our company requires to continuously strength its brand visibility as an Influencer’s and digital marketing and social media management company. If our company fails to ensure the same, we revenue from operations shall decrease thereby effecting our overall business and financial condition.
5. The cost of outsourcing the video shooting and/or renting the studio and equipment for video shooting leads to increase in our operating expenditure. If we are unable to reduce the above cost or find alternatives for outsourcing and/ or renting studio and equipment, then our cash flows and profitability shall be affected.
6. Our business is working capital intensive. If we are unable to fund our working capital requirements, it may materially and adversely affect our business and results of operations.
7. A significant portion of our revenue is derived from Western, Northern and Southern India and Southeast Asia . Any downturn and/ or any economic, regulatory, social and political change in any of these regions in which we operate or seek to operate may affect our market share and/ or may adversely affect our business, financial condition and results of operations.
8. Our results of operations and our key business measures are subject to quarterly variations that could cause fluctuations in our results of operations.
9. We do not own the Registered Office premises and the same are on lease arrangement. Any termination of such lease/license and/or non-renewal thereof and attachment by Property Owner could adversely affect our operations.
10. Our Promoters and Directors, QYOU Media Inc. and Rajnandan Mishra plays key role in our functioning and we heavily depend on their knowledge and experience in operating our business and therefore, it is critical for our business that our Promoters remain associated with us. Our success also depends on our key managerial personnel and our ability to attract and retain them. Any loss of our key person could adversely affect our business, operations and financial condition.

For a further discussion of factors that could cause our current plans and expectations and actual results to differ, please refer “**Risk Factors**”, “**Our Business**” and “**Management’s Discussion and Analysis of Financial Condition and Results of Operations**” on page 23**Error! Bookmark not defined.**, 111 and 190 respectively.

Forward looking statements reflects views as of the date of this Draft Red Herring Prospectus and not a guarantee of future performance. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Neither our Company / our Directors nor the Book Running Lead Manager, nor any of its 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 SEBI requirements, our Company and the Book Running Lead Manager will ensure that investors in India are

informed of material developments until such time as the listing and trading permission is granted by the Stock Exchange.

## SECTION II - SUMMARY OF THE OFFER DOCUMENT

### A. Summary of Business & Industry:

#### Summary of Business:

Our Company was incorporated in India under the provisions of the Companies Act, 2013 on March 03, 2016. The Corporate Identity Number of the Company is U93000MH2016PLC273833. The Company is primarily engaged in providing digital and influencer marketing services, and social media management services through two segments, viz., “Chtrbox” and “Chtrsocal”.

The “Chtrbox” and “Chtrsocal” have been briefly discussed below:

#### A) Chtrbox:

Chtrbox is an influencer and marketing platform and agency in India, connecting brands/ products and social media influencers. Since 2016, the Company has managed approximately thousand plus campaigns with approximately 500 Influencers and content creators to reach and engage large number of subscribers of social media platforms such as Instagram. Chtrbox uses the latest technology like HypeAuditor with the strategy to build influencer content and campaigns mainly for marketing and brand building on social media platforms. As of now we primarily operate in India, with our HQ in Mumbai. We have successfully rendered our services outside India in international markets like Singapore, UAE, USA and UK helping us build a global footprint. As part of our expansion strategy, we are targeting key international markets such as the UAE and Southeast Asia, where influencer marketing is on the rise.

#### B) Chtrsocal:

ChtrSocial is the Social Media Management and Brand Design wing of Chtrbox. With creative talents in strategy, content, design and production ChtrSocial aims at humanizing brands with creative social media content, short form videos production and strategic storytelling. Key markets where ChtrSocial services provided in India includes Mumbai, Delhi, and Bangalore and Internationally, we’ve previously serviced inbound clients from the USA, however, as on date we are not providing Chtrsocal services to any of the international clients.

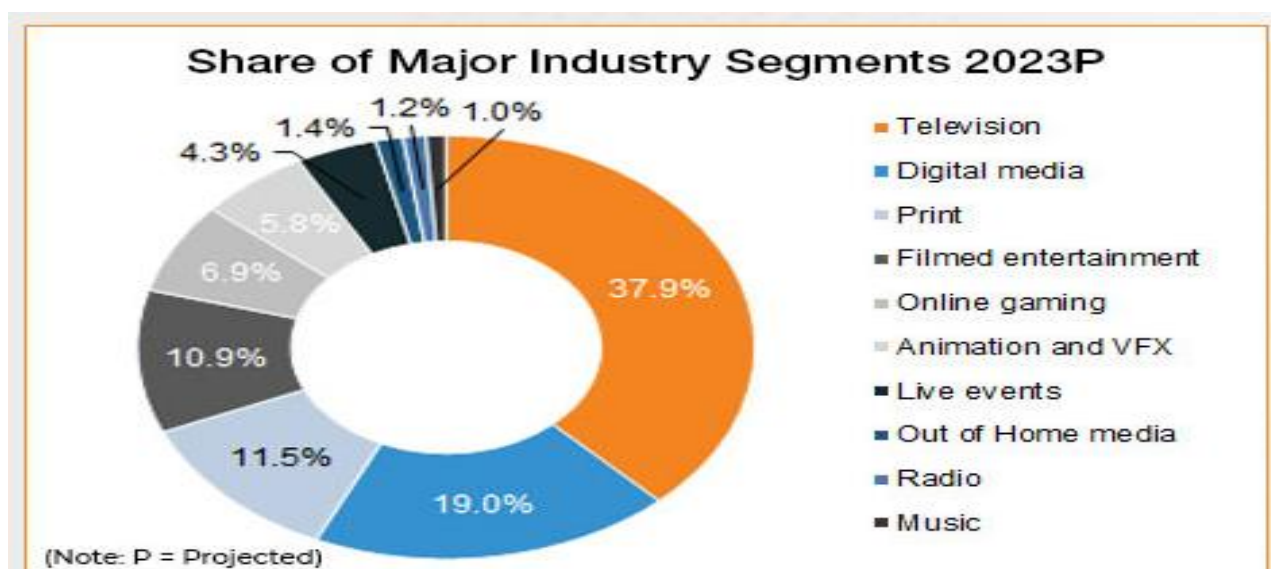
For more details of our Business, please refer to chapter titled “*Our Business*” on page 111.

#### Summary of Industry:

#### **MEDIA AND ENTERTAINMENT INDUSTRY**

Source: <https://www.ibef.org/industry/media-entertainment-india>

The Indian Media and Entertainment (M&E) industry is a sunrise sector for the economy and is making significant strides. The increasing availability of fast and cheap internet, rising incomes, and increasing purchases of consumer durables have significantly aided the industry. India’s media and entertainment industry are unique as compared to other markets. The industry is well known for its extremely high volumes and rising Average Revenue Per User (ARPU).



The Indian media & entertainment (M&E) sector is set for substantial growth, with a projected 10.2% increase, reaching Rs. 2.55 trillion (us\$ 30.8 billion) by 2024 and a 10% CAGR, hitting Rs. 3.08 trillion (us\$ 37.2 billion) by 2026. Advertising revenue in India is projected to reach rs. 330 billion (us\$ 3.98 billion) by 2024. The share of traditional media (television, print, filmed entertainment, ooh, music, radio) stood at 57% of the media and entertainment sector revenues in 2023.

India's animation and VFX sector is projected to grow from us\$ 1.3 billion in 2023 to us\$ 2.2 billion by 2026, increasing its share of the media and entertainment (M&E) industry from 5% to 6%, according to a CII GT report.

Media companies are projected to achieve an 8% revenue growth, reaching us\$ 7.14 billion (Rs. 60,000 crore) by FY27, driven by increasing contributions from the digital segment, according to a CRISIL analysis of 20 companies that account for 55% of the media industry's revenue.

According to a report by ICRA, the revenue for the print media industry is expected to grow by 8-10% in FY24. The country's entertainment and media industry is expected to see a growth of 9.7% annually in revenues to reach us\$ 73.6 billion by 2027.

In the year 2023, the revenue from subscriptions for over-the-top video platforms across India amounted to approximately us\$ 0.88 billion. This was expected to peak at over us\$ 1.2 billion by 2026.

The Indian media and entertainment sector posted a robust 19.9% growth in 2022 and crossed the Rs. 2 trillion (US\$ 24 billion) mark in annual revenue for the first time led by a sharp jump in the digital advertising mop-up.

In 2024, the projected revenue in the Digital Media market in India is expected to reach US\$ 10.07 billion. It is expected to contribute 38% to the overall advertising industry in India, on par with television.

Advertising revenue in India is projected to reach Rs. 330 billion (US\$ 3.98 billion) by 2024.

## GOVERNMENT INITIATIVES

The Telecom Regulatory Authority of India (TRAI) is set to approach the Ministry of Information and Broadcasting, Government of India, with a request to Fastrack the recommendations on broadcasting, in an attempt to boost reforms in the broadcasting sector. The Government of India has agreed to set up National Centre of Excellence for Animation, Gaming, Visual Effects and Comics industry in Mumbai. The Indian and Canadian Government have signed an audio-visual co-production deal to enable producers from both the countries exchange and explore their culture and creativity, respectively.

In February 2021, Prasar Bharati (India) and PSM (the official State Media of Maldives) inked an agreement to facilitate collaboration and capacity building in the field of broadcasting.

In June 2021, the Union Ministry of Information and Broadcasting notified the Cable Television Network (Amendment) Rules, 2021, which aims to establish a three-layer statutory mechanism for citizens to raise grievances with respect to broadcasted content.

In February 2021, the digital entertainment committee of the Internet and Mobile Association of India (IAMAI) finalised a code of conduct to form the basis for self-regulation code for OTT content. The code has been endorsed by 17 OTT platforms including Netflix, Amazon Prime Video, Disney+ Hotstar, ZEE5 and Voot.

## ROAD AHEAD

The Indian M&E industry is on an impressive growth path. The industry is expected to grow at a much faster rate than the global average rate. This can be majorly credited to rising incomes, increasing internet penetration and a growing push toward digital adoption.

In the long run, growth in the M&E industry is expected in retail advertisement on the back of several players entering the food and beverages segment, E-commerce gaining more popularity in the country, and domestic companies testing out the waters. India's rural regions are expected to be the next regions for growth.

India has also gotten on board with 5G and is already planning for 6G well ahead of the future. This push towards digital adoption especially in the rural regions will provide advertisers and publishers with an immense opportunity to capture untapped markets and help grow India's media and entertainment industry forward.

## B. Promoters:

QYOU Media Inc. and Rajnandan Mishra are the promoters of our Company.

**C. Offer Size:**

Initial Public Offering of up to 37,27,200 equity shares of ₹10 each (“Equity Shares”) of Chatterbox Technologies Limited (“CTL” Or The “Company”) for cash at a Issue Price of ₹ [●] per equity share (The “Issue Price”), aggregating up to ₹ [●] Lakhs (“The Offer”). Of the offer, 1,87,200 equity shares aggregating to ₹ [●] Lakhs will be reserved for subscription by Market Maker (“Market Maker Reservation Portion”). The offer less the Market Maker Reservation Portion i.e. Offer of 35,40,000 equity shares of face value of ₹ 10.00 each at an Issue Price of ₹ [●] per equity share aggregating to ₹ [●] lakhs is hereinafter referred to as the “Net Offer”. The Offer and the Net Offer will constitute [●] % and [●]% respectively of the post offer paid up equity share capital of our Company.

For further details, refer chapter “The Issue” and “Other Regulatory and Statutory Disclosures” beginning on page 48 and 217 respectively of this Draft Red Herring Prospectus.

**D. Objects of the Offer:**

The proposed utilisation of the Net Proceeds from fresh issue is set forth below:

(₹ in lakhs)

S. No.	Particulars	Amount
1	Funding Capital requirements for existing business	1107.25
2	Funding Capital expenditure for setting up an additional office cum new studio	713.74
3	Funding Capital requirements for Brand Building of our own Company	501.50
4	Meeting the incremental working capital requirements of our company	632.88
5	General Corporate Purposes *	[●]
	<b>Total ^</b>	<b>[●]</b>

\*To be finalized upon determination of the Issue Price and will be updated in the Prospectus prior to filing with the RoC. The amount utilized for general corporate purposes shall not exceed 15% of the Gross Proceeds or Rs. 10 crores whichever is lower.

^Assuming full subscription and subject to finalization of basis of allotment.

**E. Pre-Offer Shareholding of Promoters, Promoter Group:**

Sr.	Particulars	Pre-Offer		Post-Offer	
		No. of Shares	% Holding	No. of Shares	% Holding
a)	<b>Promoters</b>				
	QYOU Media Inc.	71,23,707	68.39	71,23,707	50.37
	Rajnandan Mishra	14,17,500	13.61	14,17,500	10.02
	<b>Total</b>	<b>85,41,207</b>	<b>82.00</b>	<b>85,41,207</b>	<b>60.39</b>
b)	<b>Promoter Group</b>				
	Nil	Nil	Nil	Nil	Nil
	<b>Total</b>	Nil	Nil	Nil	Nil
	<b>Grand Total</b>	<b>85,41,207</b>	<b>82.00</b>	<b>85,41,207</b>	<b>60.39</b>

**F. Summary of Financial Information:**

The financial performance of our Company for the period ended December 31, 2024 and Fiscals ended 2024, 2023 and 2022, is as under:

(₹ in lakhs, except for percentage)

Particulars	31.12.2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Total Revenue	4,500.19	5,536.97	4,019.99	3,198.38
EBITDA <sup>(1)</sup>	864.35	1,206.83	138.31	84.72
EBITDA margin (%) <sup>(2)</sup>	19.21%	21.80%	3.44%	2.65%
PAT	642.33	852.62	127.84	66.44
PAT Margin (%)	14.27%	15.40%	3.18%	2.08%
Net Debt <sup>(3)</sup>	-258.35	-152.94	-259.53	-657.01
Total Equity	1,041.66	12.86	12.86	12.86
Networth	2,320.27	1,677.94	825.32	697.48

Particulars	31.12.2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
RONW (%) <sup>(4)</sup>	27.68%	50.81%	15.49%	9.53%
EPS (Basic & Diluted) <sup>(5)</sup>	6.17	8.19	1.23	0.64

Our Annual Reports and financial statements are also available on our website at: [www.chtrbox.com](http://www.chtrbox.com).

#### G. Auditor qualifications which have not been given effect to in the Restated Financial Information:

There are no auditor qualifications which would require adjustments in the Restated Financial Information and for which no such effect has been given.

#### H. Summary of Outstanding Litigations:

A summary of litigations and tax proceedings involving our Company, our Promoters/ Directors, and/or our Group Companies are stated below:

Nature of case	Number of cases	Amount involved (in ₹lakhs)
<b>Company</b>		
Criminal Matters	Nil	Nil
Civil Matters	Nil	Nil
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil
<b>Our Promoters / Promoter Directors</b>		
Criminal Matters	Nil	Nil
Civil Matters	Nil	Nil
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil
<b>Our Directors other than Promoters</b>		
Criminal Matters	Nil	Nil
Civil Matters	Nil	Nil
Other Notices	1	N.A.
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil
<b>Our Group Companies / Promoter group</b>		
Criminal Matters	Nil	Nil
Civil Matters	Nil	Nil
Other Notices	12	403.73
Direct Tax	6	52.35
Indirect Tax	Nil	Nil

For further details, please refer to section titled "*Outstanding Litigation and Material Developments*" beginning on page 205 of this Draft Red Herring Prospectus.

#### I. Risk Factors:

Please see 'Risk Factors' beginning on page 23.

#### J. Summary of Contingent Liabilities of our Company:

We do not have any contingent liabilities as on December 31, 2024.

#### K. Summary of Related Party Transactions:

##### Related Party Transactions

( ₹ in Lakhs)

Name of the related party	Nature of Transaction	31.12.24	31.03.24	31.03.23	31.03.22
Raj Mishra*	KMP/ Director Remuneration	225.00	125.00	0.00	0.00
Pranay Swarup	Director Remuneration	0.00	0.00	130.35	58.09
Julie Kriegshaber	Remuneration	0.00	27.35	22.58	28.29
Pranay Swarup	Professional Charges	0.00	23.40	20.62	0.00



Name of the related party	Nature of Transaction	31.12.24	31.03.24	31.03.23	31.03.22
Qyou Media Inc.	Sales	0.00	0.00	4.00	0.00
Qyou Media India Private Limited	Sales	0.00	300.00	0.00	0.00
Glitch Media Private Limited	Sales	0.00	0.00	30.14	58.46
Qyou Media Inc.	Management fees paid	0.00	50.00	216.00	300.00
Qyou Media India Private Limited*	Reimbursement of Expenses	450.00	303.02	0.00	0.00
Qyou Media India Private Limited	Interest on Long term advances	21.04	0.00	0.00	0.00

\*The Company has entered into an Expense Reimbursement Agreement dated April 05, 2023 and further Addendum Agreement No. 1 dated November 01, 2023 and Addendum Agreement No. 2 dated April 01, 2024 (all Agreements together is referred as “Reimbursement Agreements”), with its fellow subsidiary QYOU Media India Private Limited (QMIPL), engaged in Media and Entertainment Industry, pursuant to which the Companies share certain resources and expenditures such as general administration, security, office space, employees, content creation and allied services, finance and accounts and others in order to optimise the costs and for efficient business synergies on the group level and therefore, may engage with different external and internal service providers to carry out various business activities. Pursuant to the said Reimbursement Agreements, 2/3<sup>rd</sup> of Rajnandan Mishra’s salary is agreed to be reimbursed by QYOU Media India Private Limited to our Company.

For further details please refer “**Annexure V- Related Party Transaction**” on page 187, under the section titled “**Financial Information**” beginning on page 160 of this Draft Red Herring Prospectus.

#### L. Financing Arrangements:

There are no financing arrangements wherein the Promoters, Promoter Group, the Directors of our Company 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 financing entity during the period of six months immediately preceding the date of the Draft Red Herring Prospectus.

#### M. Weighted Average Price of the Equity Shares acquired by the Promoters in the last one year preceding the date of this Draft Red Herring Prospectus:

Other than as mentioned below, the Promoters have not acquired any Equity Shares in the last one year preceding the date of this Draft Red Herring Prospectus:

Name of the Promoters	No. of Equity Shares acquired (Net)	Average cost of Acquisition (in ₹)#
QYOU Media Inc.	69,97,676	Nil *
Rajnandan Mishra	14,17,500	Nil **

\* Considered Nil as net cost of acquisition is negative.

\*\* Cost of acquisition is NIL as the same is acquired by way of Gift and Bonus shares.

# As certified by Joy Mukherjee & Associate., Chartered Accountants pursuant to their certificate (UDIN 25419374BMOHKJ6940) dated February 19, 2025.

For further details please refer to chapter titled “**Capital Structure**” on page 62.

#### N. Average cost of acquisition of shares for promoters:

Name of the Promoters	No. of Equity Shares held	Average cost of Acquisition (in ₹) *
QYOU Media Inc.	71,23,707	24.49
Rajnandan Mishra	14,17,500	Nil

\* As certified by Joy Mukherjee & Associate., Chartered Accountants pursuant to their certificate ((UDIN 25419374BMOHKJ6940) dated February 19, 2025.

For further details please refer to chapter titled “**Capital Structure**” on page 62.

#### O. Weighted average cost of acquisition for all Equity Shares transacted in One year, 18 months and Three years preceding the date of this Draft Red Herring Prospectus

The weighted average price for all Equity Shares acquired by the Promoters, members of the Promoter Group, and other shareholders with rights to nominate Directors or any other rights in the last one year, 18 months and three years preceding

the date of this Draft Red Herring Prospectus is as set out below:

Period	Weighted average cost of acquisition (in ₹) #	Cap Price is 'X' times the Weighted Average Cost of Acquisition*	Range of acquisition price: Lowest Price – Highest Price (in ₹) *
Last one year	Nil *	[●]	[●]
Last 18 months	Nil *	[●]	[●]
Last three years	12,421.31	[●]	[●]

\* for the equity shares acquired in last one year preceding the date of this Draft Red Herring Prospectus by QYOU Media Inc, Considered Nil as net cost of acquisition is negative. for the equity shares acquired in last one year preceding the date of this Draft Red Herring Prospectus by Rajnandan Mishra, Cost of acquisition is NIL as the same is acquired by way of Gift and Bonus shares.

#As certified by Joy Mukherjee & Associate., Chartered Accountants pursuant to their certificate (UDIN 25419374BMOHKJ6940) dated February 19, 2025.

\* To be updated upon finalization of price band.

#### **P. Pre-IPO Placement:**

The Company does not intend to undertake Pre-IPO Placement in the Offer.

#### **Q. Issue of equity shares made in last one year for consideration other than cash**

Other than as mentioned below, our Company has not issued any Equity Shares for consideration other than cash in the one year preceding the date of this Draft Red Herring Prospectus:

Date of Allotment	No. of Equity Shares	Face Value (₹)	Issue Price (₹)	Nature / Reason of Allotment	Nature of Consideration
December 13, 2024	1,02,88,000	10	Nil	Bonus Issue in the ratio of 80:1	Nil

#### **R. Split / Consolidation of Equity Shares in the last one year**

There was no split / consolidation of the Equity Shares of our Company since incorporation.

#### **S. Exemption from complying with any provisions of Securities Laws granted by SEBI**

Our company has not applied or received any exemption from complying with any provisions of securities laws by SEBI.

### SECTION III - RISK FACTORS

An investment in the Equity Shares involves a high degree of risk. You should carefully consider all the information in this Draft Red Herring Prospectus, including the risks and uncertainties summarised below, before making an investment in our Equity Shares. The risks described below are relevant to, the industries our Company is engaged in, our Company and our Equity Shares. To obtain a complete understanding of our Company, you should read this section in conjunction with ‘Our Business’ and ‘Management’s Discussion and Analysis of Financial Condition and Results of Operations’ on page 111 and 190 respectively, of this Draft Red Herring Prospectus as well as the other financial and statistical information contained in this Draft Red Herring Prospectus. Prior to making an investment decision, prospective investors should carefully consider all of the information contained in ‘Financial Statements’ on page 160 of this Draft Red Herring Prospectus. Unless stated otherwise, the financial data in this section is as per our financial statements prepared in accordance with Indian GAAP, as restated.

If any one or more of the following risks as well as other risks and uncertainties discussed in this Draft Red Herring Prospectus were to occur, our business, financial condition and results of our operation could suffer material adverse effects, and could cause the trading price of our Equity Shares and the value of investment in the Equity Shares to materially decline which could result in the loss of all or part of your investment.

This Draft Red Herring Prospectus also contains forward looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of many factors, including the considerations described below and elsewhere in this Draft Red Herring Prospectus.

These risks are not the only ones that our Company face. Our business operations could also be affected by additional factors that are not presently known to us or that we currently consider to be immaterial to our operations. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify financial or other implication of any risks mentioned herein.

#### Materiality

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

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

#### INTERNAL RISKS

1. **Our Company, Promoters / directors and promoter group entities are involved in certain legal proceedings and potential litigations. Any adverse decision in such proceedings may render us/them liable to liabilities/penalties which may adversely affect our business, financial condition and results of operations.**

Our Company, Promoters / Directors, and/or our Group Companies are currently involved in certain tax litigations. These litigations are pending at different levels of adjudication before various regulatory forums. Such proceedings could divert management time, attention and consume financial resources in their defense. Further, an adverse judgment in some of these proceedings could have an adverse impact on our business, financial condition and results of operations.

A summary of tax proceedings involving our Company, our Promoters/ Directors, and/or our Group Companies are stated below:

Nature of case	Number of cases	Amount involved (in ₹lakhs)
<b>Company</b>		
Criminal Matters	Nil	Nil
Civil Matters	Nil	Nil
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil
<b>Our Promoters / Promoter Directors</b>		
Criminal Matters	Nil	Nil
Civil Matters	Nil	Nil

Nature of case	Number of cases	Amount involved (in ₹lakhs)
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil
<b><i>Our Directors other than Promoters</i></b>		
Criminal Matters	Nil	Nil
Civil Matters	Nil	Nil
Notices	1	N.A.
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil
<b><i>Our Group Companies / Promoter group</i></b>		
Criminal Matters	Nil	Nil
Civil Matters	Nil	Nil
Other Notices	12	403.73
Direct Tax	6	52.35
Indirect Tax	Nil	Nil

The table above does not include those penalties, interests and costs, if any, which may be imposed or which may have been pleaded but not quantified in the course of legal proceedings, or which the Court / Tribunal otherwise has the discretion to impose. The imposition and amount of such penalties / interests / costs are at the discretion of the court / tribunal where the case is pending.

For further details, please refer to section titled "Outstanding Litigation and Material Developments" beginning on page 205 of this DRHP.

2. ***We propose to utilize a portion of our Net Proceeds towards setting up of an additional office cum in-house Studio at Mumbai. Any delay or failure in successfully setting up our in-house Studio may affect our business growth, thereby affecting our future business plans, business operations and financial conditions.***

In order to strengthen our video and production capabilities, provide comprehensive service offering to our customers and influencers and derive better value and margins from our business activities, Our Company proposes to deploy an amount Rs. 713.74 Lakhs from the Net Proceeds towards setting up of the proposed additional office cum in-house studio in Mumbai, Maharashtra that is proposed to be operative from Fiscal 2026. For details, please refer to “***Object of the Offer -Funding the Capital expenditure for setting up an additional office cum setting up a new studio***” beginning on page no. 78 of the DRHP. As per M/s Max Realty, Partnership firm, the approximate annual cost for leasing a 3000 sq. ft. premises in Mumbai, Andheri (West) shall be approximately Rs. 126.00 Lakhs (Inclusive of GST and estimated rent payable for one year and One-time refundable Security Deposit payable for 6 months rental.) Within the same premises, our company proposes to use approximately 1500 sq. ft. for setting up of in-house studio and the balance 1500 sq. ft. for setting up of proposed office space which shall be used for day-to-day operation.

Further, as per M/s Harishankar Furniture & Decorators, bearing GST Registration number 27ACAPY2344P1Z1, the estimated cost for setting up proposed office space is approximately Rs. 53.80 Lakhs and as per M/s Transs Techno Consultants Private Limited (CIN: U74140DL2006PTC146788), the estimated cost for setting up the proposed in-house studio is approximately Rs. 533.94 Lakhs.

While we have obtained the various quotations towards the capital expenditure for the proposed additional office cum in-house studio, most of these quotations are valid for a certain period of time and may be subject to revisions. Further, setting up of the proposed additional office cum in-house studio may be subject to delays and other risks such as unforeseen technical problems, force majeure events, unanticipated cost increases or changes in scope, etc. Additionally, we may face risks while setting up of the proposed additional office cum in-house studio including but not limited to, delays in the civil constructions, interior decorations, non- availability of the required studio equipment's, appointing/ hiring the right manpower or for other reasons.

We cannot assure that proposed capital expenditure towards our enhancing existing business will be within the cost indicated by such quotations and as scheduled. Any time and cost overrun due to our failure to implement our objects of the offer within our budget could adversely impact our financial condition temporarily and also delay our growth prospects and may adversely affect our business, results of operations and financial condition. While we may seek to minimize the risks from any unanticipated events, it cannot be assured that all potential delays could be mitigated and that we will be able to prevent any cost over-runs and any loss of profits resulting from such delays, shortfalls and

disruptions. As a result, our business, financial condition, results of operations and prospects could be materially and adversely affected.

While we have yet to enter into formal leave and license agreement with the lessor for leasing the premises, there can be no assurance that we will not face any disruption of our rights as a licensee and term of lease, lease fee and any other terms and conditions will be agreeable and favorable to our company. Further, once the agreement is entered into, if the owner of the premises, decides to prematurely terminate the agreement or revoke the agreement or refuse to renew the agreement in a timely manner or at all or imposes such terms and conditions that are unfavorable to us, we may suffer a disruption in our operations or re-locate to another premise or have to pay increased rent. In such a case, we may have to re-locate to another premise and/or agree to pay the extra amount for using the same premises. Increase in lease structure will lead to increase of our expenditure which in turn may affect our revenue and increase of operational cost. Also, searching for the suitable location, re-setting the studio from the scratch and relocating the furniture and fixtures from one location to another, may have a material adverse effect on our business, prospects, results of operations and financial condition.

3. ***In order to effectively manage our growth and/ or to successfully implement our business plan and growth strategies, our company proposes to invest upto Rs. 1110.00 Lakhs towards the capital expenditure. In case there is delay or failure towards deploying of capital expenditure in a structured manner, it could have an adverse effect on our business, results of operations and financial condition.***

In order to implement our future growth strategies as detailed on page 106 of the DRHP, our company proposes to invest Rs. 1107.25 Lakhs towards purchase of hardware and software, rent co-working space in Bengaluru and Delhi and appoint/ hire additional manpower. For details on each capital expenditure, please refer to “**Object of the Offer chapter-Capital requirements for Existing business**” beginning on page no. 72 of the DRHP.

While we have obtained the various quotations towards the capital expenditure, most of these quotations are valid for a certain period of time and may be subject to revisions. Further, our expansion plan may be subject to delays and other risks such as unforeseen technical problems, force majeure events, unanticipated cost increases or changes in scope, etc. Additionally, we may face risks while implementing the proposed expansion plan including but not limited to, delays in the civil constructions, interior decorations, appointing/ hiring the right manpower, renting sufficient co-working space or for other reasons. We cannot assure that proposed capital expenditure towards us enhancing our existing business will be within the cost indicated by such quotations and as scheduled. Any time and cost overrun due to our failure to implement our objects of the offer within our budget could adversely impact our financial condition temporarily and also delay our growth prospects and may adversely affect our business, results of operations and financial condition. While we may seek to minimize the risks from any unanticipated events, it cannot be assured that all potential delays could be mitigated and that we will be able to prevent any cost over-runs and any loss of profits resulting from such delays, shortfalls and disruptions. As a result, our business, financial condition, results of operations and prospects could be materially and adversely affected.

4. ***Our company requires to continuously strength its brand visibility as an Influencer’s and digital marketing and social media management company. If our company fails to ensure the same, we revenue from operations shall decrease thereby effecting our overall business and financial condition.***

We operate in digital and influencer and digital marketing and social media management industry, utilizing both online and offline business models. To maximize our reach and attract a broad influencers/ customer base, brand visibility plays a pivotal role. Brand building serves as a cornerstone for Influencers platform by creating awareness, attracting and retaining Influencers/ customers, differentiating our offerings in a competitive landscape, and ensuring alignment with the ever-evolving needs of the digital marketing sector. If these initiatives prove ineffective, it could negatively impact the recognition and visibility of our Company and may not successfully enhance the popularity of our Company among customers. Details of our brand building or marketing or advertising expenditure incurred by us in the past is as follows:

(₹ in lakhs, except for percentage)

Particulars	31.12.2024		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount	% #	Amount	% #	Amount	% #	Amount	% #
Brand building, Marketing and advertisement for our company	8.28	0.27	12.28	0.22	6.38	0.16	2.70	0.08

#as a percentage of total revenue

Effective marketing not only drives business growth but also enriches Influencers/ customers experiences. Our revenues are significantly influenced by the success of our branding, marketing and advertising efforts across various channels. We rely heavily on the expertise of our senior management to define and implement these strategies. However, if our management along with marketing, advertisement and brand building team leads us to adopt ineffective brand building or marketing or advertising initiatives, we may fail to attract, engage, and retain new clients. Consequently, unsuccessful brand building, marketing and advertising efforts could materially and adversely affect our operational results.

Further, the market perception of our brands is one of the key factors for the sustained demand of our services amongst influencers/ customers. In order to ensure the above, our company proposes to appoint a specialized PR, branding, marketing, advertising and social media management agency- M/s The Reppro. We have obtained the quotation and scope of work to be handled by the. Further, our company proposes to utilise upto Rs. 501.50 Lakhs of net proceeds towards enhancing its own brand visibility within the existing and newer markets. For details on the same, please refer to “**Capital requirements for Brand Building of our own Company**” beginning on page no. 80 of the DRHP.

These initiatives are designed to increase our visibility and reach within the market we cater to and also the new targeted markets and supported by our in-house marketing team. However, we cannot guarantee that our marketing, advertisement and brand building efforts will ultimately be successful, as it is affected by numerous factors, including the effectiveness of our branding and marketing campaigns and our ability to provide consistent, high-quality services, hire/ appoint popular and well-known influencers etc. Any negative publicity or perception of influencers/ consumers relating to the quality of our services, pricing strategy etc. regardless of whether such claims or perceptions are true, may adversely impact public perception of our brand could have an adverse impact on our brand, which may negatively affect our business and can significantly reduce our brand value and consumer trust thereby tarnishing our brand, result of operations and financial conditions.

Further, in the past financial years/ periods, we have not faced any of the above situations leading to negative brand value which could have an adverse and material impact on our business operations and financial conditions. However, we cannot assure you that in the future if we are unable to maintain and continuously enhance our brand building, marketing and advertising activities and expenditures, we may lose influencers/ customers trust thereby deduction in our brand recognition and reputation. This will negatively impact our business and future prospects.

5. ***The cost of outsourcing the video shooting and/or renting the studio and equipment for video shooting leads to increase in our operating expenditure. If we are unable to reduce the above cost or find alternatives for outsourcing and/ or renting studio and equipment, then our cash flows and profitability shall be affected.***

We rely either on the influencers/ artists for shooting the videos for our customers or we rent our studios and necessary equipment for few hours or days for shooting the videos for our customers. We may face non-availability of influencers, studio space, shooting equipment's, increase in the cost of renting studio space and shooting equipment or availability of low-quality shooting equipment's or studio space not being as per our requirements and events which are beyond our control such as weather-related problems, riots, inadequacies of studio space and shooting equipment etc. or other events could impair ability to shoot on time. Any such disruptions could materially and adversely affect our reputation, business, financial condition and results of operations.

While we have not faced such instances of delays or disruptions while shooting the videos or conflict of interest with our influencers since the past 3 fiscal years and during the nine months period ended on December 31, 2024, we cannot assure you that there will not be any delays or disruptions before or during video shooting or in the longer-term conflict of interest shall not arise thereby leading to our inability to deliver our services on time further leading to loss of reputation, business and revenues.

6. ***Our business is working capital intensive. If we are unable to fund our working capital requirements, it may materially and adversely affect our business and results of operations.***

Our business requires working capital and major portion of our working capital is utilized towards debtors. Any delay in processing our payments by our customers may increase our working capital requirement. Further, if a customer defaults in making payments for the services provided by us, it could affect our cash flow thereby decreasing our existing capital reserves and profitability. The table below sets out the working capital of our Company for the period set out:

(₹ in lakhs, except for percentage)

Particulars	31.12.2024		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount	% #	Amount	% #	Amount	% #	Amount	% #
Net Working capital requirement *	1122.68	24.95	531.24	9.61	-179.64	-4.47	-190.60	-5.96

#as a percentage of total Revenue

\* Working capital requirement is computed as Total current assets – Total current liabilities as certified by our Statutory Auditor, Joy Mukherjee & Associate, Chartered Accountant vide its certificate (UDIN 25419374BMOHKB7128) dated February 19, 2025.

To effectively manage our trade receivables, we must be able to accurately evaluate the credit worthiness of our customers and ensure that suitable terms and conditions are given to them in order to ensure our continued relationship with them. However, if our management fails to accurately evaluate the terms and conditions with our customers, it may lead to delay in recoveries which could lead to a slow inflow of liquidity, thereby adversely affecting our business and results of operations. As a result, to satisfy our working capital needs, our company may require to borrow funds (secured and/or unsecured) or by utilizing internal accruals or issue additional equity. Further, the actual amount of our future capital requirements may differ from estimates as a result of, among other factors, unforeseen delays or cost overruns, unanticipated expenses, regulatory changes, economic conditions, technological changes and additional market developments. Further, our ability to arrange financing and the costs of capital of such financing are dependent on numerous factors, including general economic and capital market conditions, credit availability from banks, investor confidence, the continued success of our operations and other laws that are conducive to our raising capital in this manner. We have not faced any instances of material losses or adverse impact on our business or results of operations due to the failure of obtaining additional financing in the nine months ended December 31, 2024, and past three Fiscal years. However, we cannot assure you that we will be able to obtain additional financing on acceptable terms, in a timely manner or at all, to meet our working capital needs.

Further, we require capital and will continue to incur expenditure in maintaining and growing our existing business. Accordingly, our company proposes to utilize a portion of our Net Proceeds – Rs. 632.88 Lakhs towards funding of working capital requirements of our Company in financial year 2026. While the above mentioned above has been calculated on the estimates as provided by our management and as certificated by our Statutory Auditor, Joy Mukherjee & Associates, Chartered Accountant vide its certificate (UDIN 25419374BMOHKB7128) dated February 19, 2025; we cannot assure you that we will still require additional and alternate working capital funding in FY 2026 and for further fiscals years. We also cannot assure you that we will be able to efficiently deploy the Net Proceeds for working capital purposes in a timely and efficient manner. If we decide to raise additional funds through the incurrence of debt, our interest and debt repayment obligations will increase, and could have a significant effect on our profitability and cash flows and we may be subject to additional covenants, which could limit our ability to access cash flows from operations. Any issuance of equity, on the other hand, could result in a dilution of your shareholding. Accordingly, continued increase in our working capital requirements may have an adverse effect on our financial condition, cash flows and results of operations. For details in relation to our working capital requirements, please see “*Objects of the Offer - Funding the working capital requirements of our Company*” on page 81 of the DRHP.

7. *A significant portion of our revenue is derived from Western, Northern and Southern India and Southeast Asia . Any downturn and/ or any economic, regulatory, social and political change in any of these regions in which we operate or seek to operate may affect our market share and/ or may adversely affect our business, financial condition and results of operations.*

Our Chtrbox and Chtrsocal services are provided not only within India but also Internationally. Based on the restated financial statement, the table below sets forth details of revenue from operations generated from our domestic sales and international sales for the period ended on December 31, 2024 and financial year ended March 31, 2024, March 31, 2023 and March 31, 2022 respectively:

(₹ in lakhs, except for percentage)

Particulars	31.12.2024		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount	% #	Amount	% #	Amount	% #	Amount	% #
Domestic Sales	4,294.44	95.92	5,323.91	97.06	3,873.22	97.04	2,971.86	93.69
International Sales	182.78	4.08	161.46	2.94	118.24	2.96	200.03	6.31
<b>Total</b>	<b>4,477.22</b>	<b>100.00</b>	<b>5,485.37</b>	<b>100.00</b>	<b>3,991.46</b>	<b>100.00</b>	<b>3,171.89</b>	<b>100.00</b>

#as a percentage of Revenue from operations

Majority of our services are provided to our customers located in Western India, Northern India, Southern India and Southeast Asia. For details on our Geography wise sales break up, please refer to page no. 104 of the DRHP.

The composition and revenue generated from these Geographies might change as we continue to add new Geographies in normal course of business. Any decline in our quality standards, growing competition and any change in the demand for our services within any of these Geography's may adversely affect our growth, business, results of operations and financial condition.

Due to geographical concentration of our business sales and revenues from Western India, Northern India, Southern India and Southeast Asia, our services are prone to local, regional and environmental factors. Any materially adverse social, political or economic development, civil disruptions, or changes in the policies of the state government or state or local governments, may require us to expand our business to newer Geographic locations within India and Internationally or modification of our business strategy, or require us to incur significant capital expenditure or suspend our operations. Any such adverse development could result in significant loss due to our inability to provide services to our customers as scheduled, which could materially affect our business reputation within the industry. Though no such events occurred in past, the occurrence of or our inability to effectively respond to, any such events or effectively manage the competition in the region, could have an adverse effect on our business, results of operations, financial condition, cash flows and future business prospects.

We are also subject to various risks in the regions we provide our services including but not limited to the risks such as changes in the customers' business strategy, spending towards their marketing/ advertising and branding, our pricing, changes in customers' requirements, entry of any other competitors, and external conditions many of which are beyond our control including shifts in market or economic conditions, or the emergence of more competitive offerings from our competitors or economic slowdown in the major Geographic locations where we serve or regional natural disasters or political discord or riots in the region where our services are provided, constraints on our ability to diversify across states and perception by our potential clients etc. Further, any failure in expanding our revenue sources from the existing markets in which we operate may lead to loss of opportunity in earning higher revenues thereby effecting our growth, business, results of operations and financial condition. Further, any occurrence of change in the customers' requirements/ preference and/ or any other contingencies in the regions we provided our services, we may not be able to effectively expand our business to newer locations and as a result our revenues and profitability may be adversely affected.

**8. *Our results of operations and our key business measures are subject to quarterly variations that could cause fluctuations in our results of operations.***

During the second half of financial years, we tend to earn approximately 60% of our revenue from operations, i.e., we record an increase in revenue from operations especially from October to March. This seasonal nature of our business is mainly attributed to our customers and/ or influencers scheduling their marketing and advertising spends for this period of the year due the festive and marriage seasons.

Further, this seasonality also results from a number of other factors, including approvals of customers' marketing budgets around the first quarter of the financial year, thus accelerating advertising spends in the subsequent quarters and consequent timing of products/ services/ projects and billings received from our clients. However, there may be inconsistency in our customers spendings due to unexpected events like changing advertising trends or even if customers delay spending in latter quarters of the financial year due to adverse economic conditions. As a result of such fluctuations, our sales and results of operations may vary quarter on quarter, and the sales and results of operations of any given fiscal quarter may not be relied upon as indicators of the sales or results of operations of other fiscal quarters or of our future performance.

**9. *We do not own the Registered Office premises and the same are on lease arrangement. Any termination of such lease/license and/or non-renewal thereof and attachment by Property Owner could adversely affect our operations.***

Our registered office is situated at Unit No. 101 VIP Plaza, Cooperative Premises Society Ltd, Andheri New Link Road, Opp Infinity Mall Behind Crystal Plaza, Andheri, Mumbai - 400053, Maharashtra, India is a leased premise and our Company has entered into an agreement with Lessor for leasing the same premises for a period of 60 months w.e.f. 01.04.2023. For details, please refer to "**Our Business - Our immovable properties**" page no. 115 of the DRHP.



Our business operations are also conducted from the said premises. As per the lease agreements, if there are any non-compliance by us in relation to any term of lease, lease fee and any other terms and conditions; it may result in the termination of the lease agreement and consequently we may have to vacate the said premises.

Although, since the past 3 fiscal years, our company has not faced any conflict of interest with the lessors. However, we cannot assure you that in the long-term conflict of interest shall not arise thereby leading us to terminate the lease agreement or pay additional cost to continue with the existing premises or relocate to another premises thereby adversely affecting our business operations.

We also cannot assure you that lessor will not terminate the lease agreement, which would require us to re-locate to another premise and may have an adverse effect on us conducting our business operations. In such case, we may have to re-locate to another premise and/or agree to pay the extra amount for using the same premises. Increase in lease structure will lead to increase of our expenditure which in turn may affect our revenue and increase of operational cost. Also, searching for the suitable location, setting the up our office space, normalising any interruptions, , may lead to loss of clients, impact on services, reduction in sales thereby affecting our profitability.

- 10. *Our Promoters and Directors, QYOU Media Inc. and Rajnandan Mishra plays key role in our functioning and we heavily depend on their knowledge and experience in operating our business and therefore, it is critical for our business that our Promoters remain associated with us. Our success also depends on our key managerial personnel and our ability to attract and retain them. Any loss of our key person could adversely affect our business, operations and financial condition.***

The success of our business operations is attributable to our Promoters and Directors and the key managerial team. We believe that our relation with our Promoters, who has rich experience in markets, managing customers and handling overall businesses, has enabled us to experience growth and profitability. For details of our Promoters, please refer to Section “***Our Promoters and Promoter Group***” on page 150 of this DRHP.

If our Promoters/ Directors divert their attention to any other ventures, we may not be able to function as efficiently and profitably as before. We may have to incur additional costs to replace the services of our Promoters or we may not be able to do so at all, which could adversely affect our business operations and affect our ability to continue to manage and expand our business. The loss of service of the Promoters, directors and other senior management could seriously impair the ability to continue to manage and expand the business efficiently. If we are unable to retain qualified employees at a reasonable cost, we may be unable to execute our growth strategy. For further details of our Directors and key managerial personnel, please refer to Section “***Our Management***” on page 137 of this DRHP.

- 11. *In addition to normal remuneration or benefits and reimbursement of expenses, some of our directors, senior managerial personnel and key managerial personnel are interested in our Company to the extent of their shareholding and dividend entitlement in our Company.***

Our Directors, Senior Managerial Personnel (“SMP”) Key Managerial Personnel (“KMP”) are interested in our Company to the extent of remuneration paid to them for services rendered and reimbursement of expenses payable to them. In addition, some of our Directors, SMP and KMP may also be interested to the extent of their shareholding and dividend entitlement in our Company. For further information, see “***Capital Structure***” and “***Our Management***” on pages 62 and 137, respectively, of this DRHP.

- 12. *Our business is dependent on retaining our existing influencers and adding new influencers who work exclusively through us. If we fail to retain or add influencer, our business, revenue growth, results of operations, cash flows and financial condition may be materially and adversely affected.***

We generate significant portion of sales under our Chtrbox Represent division by our continuous relationships with our influencers as well as by adding new influencers who work exclusive through us and the business driven by them.. . During the period ended December 31, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022, we worked with 81, 77, 70, and 71 exclusive influencers and the revenue generated by us during the period ended December 31, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022 in relation to Chtrbox Represent division was Rs. 2,100.82 Lakhs, Rs. 2,420.75 Lakhs, Rs. 1432.40 Lakhs and Rs. 902.91 Lakhs respectively. For details on our service wise revenue break-up, please see page 108 of the DRHP. Our business heavily relies on cultivating and sustaining amicable and cooperative relationships with our key influencers.

While we have not faced any dispute or conflict of interest with our influencers since the past 3 fiscal years and during the nine months period ended on December 31, 2024, we cannot assure you that in the longer-term conflict of interest

shall not arise thereby leading to loss of our influencers, thereby leading to loss of reputation, business and revenues.

Although, we have entered into Influencer Representation agreement with many of our influencers, we cannot assure you that they may not terminate the agreement prematurely or decide not to renew the agreement at all. Any such non-renewal or early termination, may require us to search for new influencers on time or obtain their services on the terms and conditions that may not be favourable to us thereby adversely affecting our business, financial conditions and results of operations. If the influencers, revoke the agreement or impose terms and conditions that are unfavorable to us, we may suffer a disruption in our operations or make increased payments to them, which could have a material adverse effect on our business, prospects, results of operations and financial condition.

Further, with the increase of social media there are new influencers gaining popularity which may in turn affect the reach/following or relevance of the influencers that we are engaged with. Decline in the popularity of influencers that our company works with could lead to decline in their demand which might make them less desirable to the brands looking to market their product/ service through the influencers and digital marketing channels. If there is a reduction in demand for our services or reduction in the major influencers or there is an unforeseen shifts in tastes and preferences of audiences that the influencers cater to, it could have a negative impact on our business, financial performance, and overall financial health.

**13. *We are dependent on a number of key employees, including our senior management but not limited to writers, graphic designers, editors and technicians etc and the loss of or our inability to attract or retain such persons with specialized technical know-how could adversely affect our business, results of operations, cash flows and financial condition.***

Our performance depends largely on the efforts and abilities of our senior management and other senior management, including our present officers who have creative minds, specialized technical know-how, writers, graphic designers, editors, and technicians etc. The inputs and experience of our senior management, key managerial personnel and creative team are valuable for the development of our business and operations strategy. We cannot assure you that we will be able to retain these employees or find adequate replacements in a timely manner, or at all. Our ability to retain experienced staff members as well as senior management will in part depend on our maintaining appropriate staff remuneration and incentive schemes in accordance with then prevailing private sector industry standards. We cannot assure you that the remuneration and incentive schemes we have in place will be sufficient to retain the services of our senior management and skilled employees.

Further, our ability to sustain our growth depends upon our ability to attract and retain key personnels, developing managerial experience to address continuous changes, trends of business and/or sector and operating challenges and ensuring a high standard of client service. The trust and confidence our customers place in us are largely a reflection of the skills, reputation and leadership provided by our KMP, SMP and Managing Director and accordingly our business and its growth are therefore significantly dependent on them.

We also face attrition of our existing workforce as a result of increased competition, better prospects, higher salaries or any other factors relating to our nature of businesses. The following table sets forth the attrition rate of the periods indicated below:

<b>Particulars</b>	<b>31.12.24</b>	<b>31.03.24</b>	<b>31.03.23</b>	<b>31.03.22</b>
Exist during the year/ period	26	34	20	18
Average number of employees employed during the year	89	82	66	45
Attrition Rate (%) <sup>#</sup>	<b>29</b>	<b>41</b>	<b>30</b>	<b>40</b>

# Attrition Rate has been calculated as the number of employees who have resigned during the year/ period, divided by the average number of employees during the year/ period (opening number of employee +closing number of employees)/ 2)

If we are unable to retain qualified employees at a reasonable cost, we may be unable to execute our growth strategy. Any failure to train and motivate our existing or new employees properly may result in an increase in employee attrition rates, require additional hiring, reducing the quality of client service, divert management resources, increase in employee costs etc. Any inability to attract and retain talented employees, or the resignation or loss of key management personnel, may have an adverse impact on our business and future financial performance.

**14. Our business and result of operations are dependent on relations with our existing customers and attracting new customers. Any loss of business from any one or more of our customers, may adversely affect our revenues and profitability.**

Our company broadly caters to Beauty, Personal Care & Lifestyle, Entertainment, Technology, Health and Fitness, Hospitality, Finance etc Sector within India and Internationally. For details on our sector wise revenue break up, please refer to page no. 104 of the DRHP.

Our top ten customers contribute to a substantial portion of our revenues from operations. Based on the restated financial statement, the table below sets forth details of revenue from operations generated from our top 5 and 10 customers for the period ended on December 31, 2024 and financial year ended March 31, 2024, March 31, 2023 and March 31, 2022 respectively:

(₹ in lakhs, except for percentage)

Particulars	31.12.2024		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount	% #	Amount	% #	Amount	% #	Amount	% #
Top 5 Customers	1,154.82	25.79%	2,674.10	48.75%	1,457.24	36.51%	1,319.94	41.61%
Top 10 Customers	1,587.95	35.47%	3,262.78	59.48%	2,123.39	53.20%	1,667.40	52.57%

#as a percentage of total Revenue

Further, for the above-mentioned period and financial years, there is no single customer contributing more than 50% of our revenue from operations.

Our heavy reliance on our top 10 customers, exposes us to potential revenue concentration risk. Although, since the past 3 fiscal years, our company has not faced any dispute or conflict of interest with the customers, we cannot assure you that in the long-term conflict of interest shall not arise thereby leading to loss of our customers. The loss of any of our clients, especially our key customer could potentially affect our market standing and reputation thereby effecting our sales. Any unforeseen adverse changes in our relationships with these customers, including the loss of business, could have a material impact on our financial performance. There are several factors, apart from our service quality, that could potentially lead to the departure of one or more major clients or a significant reduction in business from them. As a company operating in a competitive and reputation-sensitive market, any negative perception about our ability to maintain key customer relationships could adversely impact our ability to attract new clients or retain existing ones. Hence, the loss of any of our top 5/10 customer, reduction in their marketing and advertising budget, failure to retain our repeat clients or failure to replace them could have a material adverse effect on our business, revenue growth, results of operations, cash flows, and reputation. We cannot assure you that we will be able to maintain historic levels of business and/or negotiate and execute long term contracts on terms that are commercially viable with our significant customers or that we will be able to significantly reduce customer concentration in the future.

Furthermore, any decline in our quality standards, growing competition and any change in the demand for our service by these customers may adversely affect our ability to retain them. We believe we have maintained good and long-term relationships with our customers. However, there can be no assurance that we will continue to have such long-term relationship with them, also any delay or default in payment by these customers may adversely affect our business, financial condition and results of operations. We cannot assure that we shall generate the same quantum of business, or any business at all, from these customers, and loss of business from one or more of them may adversely affect our revenues and profitability.

Further, our ability to retain, renew or expand our customer relationships may decrease or vary as a result of a number of factors such as our customers' satisfaction or dissatisfaction with our services, reliability of our digital solutions and our pricing, and external conditions, many of which are beyond our control including changes in the customers business strategy, technology, preferences or management of our customers, shifts in market or economic conditions, or the emergence of more competitive offerings from our competitors etc. Any such event could lead to a reduction in the client's advertising expenditure, a change in the execution of work allocated to us, or even the termination of our work and/ or relationship with our clients. Further, we cannot assure you that if we are able to find newer clients who are willing to spend on advertisement expenditures and/ or will be able to pay our fees in a timely manner or pay our fees at all. Furthermore, if we are successful in finding new customer, we cannot assure you that they will contribute significantly towards our total revenue.

**15. Our inability to effectively manage our growth or to successfully implement our business plan and growth strategies could have an adverse effect on our business, results of operations and financial condition. The success of our business will depend greatly on our ability to effectively implement our business and growth strategies.**

To remain competitive, we seek to increase our business from existing customers/ influencer and by adding new customers/ influencer, as well as expanding into new geographical markets within India. During the period ended December 31, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022, the total revenue from operations earned by us was Rs. 4477.22 Lakhs, Rs. 5485.37 Lakhs, Rs. 3991.46 Lakhs and Rs. 3171.89 Lakhs respectively and the PAT was Rs. 642.33 Lakhs, 852.62 Lakhs, Rs. 127.84 Lakhs and Rs. 66.44 Lakhs for period ended December 31, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022. For details on our Geography wise and service wise sales break up, please refer to page no. 104 and 108 respectively of the DRHP.

Our success in implementing our growth strategies may be affected by:

- our relations with our existing customers and influencers;
- our ability to hire/ appoint and retain popular influencers;
- our ability to manage the digital marketing and social media services;
- our ability to timely provide best quality services;
- our ability to increase our geographic presence;
- the general economic condition of the global economy (particularly of India and the other markets that we currently or may operate in);
- our ability to compete effectively with existing and future competitors,
- changes in the Indian or international digital marketing regulatory environment applicable to us.

Certain of these factors are beyond our control and there is no assurance that we will succeed in implementing our strategies. While we have successfully executed our business strategies in the past, there can be no assurance that we will be able to execute our strategies on time and within our estimated budget, or that our expansion and development plans will increase our profitability.

Any of these factors could adversely impact our results of operations. We expect our growth strategies to place significant demands on our management, financial and other resources and require us to continue developing and improving our operational, financial and other internal controls. Our inability to manage our business and growth strategies could have a material adverse effect on our business, financial condition and profitability.

**16. Our Corporate Promoter and Promoter Entities have objects similar to our Company. There are no non- compete agreements between our Company and our Corporate Promoter and Promoter Entities. We cannot assure that our Individual Promoter will not favor the interests of such entity over our interest or that the said entities will not expand which may increase our competition and may adversely affect business operations and financial condition of our Company.**

Our Corporate Promoter- QYOU Media Inc., Canada and Promoter Entities namely QYOU Media India Private Limited, India, Maxamtech Digital Ventures Private Limited, India and QYOU USA Inc., USA have objects similar to our Company. We have not entered into any non-compete agreement with the said entities. We cannot assure that our Individual Promoter who has common interest in said entities will not favour the interest of the said entity. As a result, conflicts of interests can arise on account of common suppliers/ customers and in allocating business opportunities amongst our Company and our Group entity in circumstances where our respective interests diverge. Any such present and future conflicts could have a material adverse effect on our reputation, business, results of operations and financial condition which may adversely affect our profitability and results of operations.

**17. Our company has made application for registering of our various Intellectual Property rights with Trade Marks Registry, Mumbai. However, the same is under the process of examination. Any delay in granting registration could result in loss of company's right to use the said Intellectual Property right.**

Our Company has made 18 applications with the Trade Marks Registry, Mumbai for registering our company's name, logo, its division name and logo. As per the Trade Marks Registry, all 18 applications are under the process of "Formalities Check Pass-The application will be examined in due course", the actually status is yet to be confirmed by the Trade Marks Registry. For further details on Intellectual Property Rights, please refer page no. 189 of the DRHP.

Further, our company is dependent on receiving approval and/ or being granted registration from the Trade Mark Registrar, Mumbai. While still the application is under process, if the same is not accepted or registration is not granted, then our company may lose the statutory protection available to it under the Trade Marks Act, 1999 for such trademarks, as otherwise available for registered trademarks in future could have a material adverse effect on our business, which in turn could adversely affect our results of operations.

**18. *Our insurance coverage may not adequately protect us against all material hazards and the policies do not cover all risks. In the event of the occurrence of such events, our insurance coverage may not adequately protect us against possible risk of loss.***

Our business could suffer damage from fire, burglary, terrorist act, natural calamities, misappropriation or other causes, resulting in losses, which may not be compensated by insurance. We maintain Errors and Omissions and Directors And Officers Liability Insurance only. For details on our insurance policies, please refer to page no. 115 of the DRHP. Our insurance policies, however, may not provide adequate coverage in certain circumstances and are subject to certain deductibles, exclusions and limits on coverage. Further, with respect to the insurances maintained by us, we cannot assure you that the terms of our insurance policies will be adequate to cover any damage or loss suffered by us or that such coverage will continue to be available on reasonable terms or will be available in sufficient amounts to cover one or more large claims, or that the insurer will not disclaim coverage as to any future claim. Further, there can be no assurance that any claim under the insurance policies maintained by us will be honoured fully, in part or on time. To the extent that we suffer loss or damage, or successful assertion of one or more large claims against us for events for which we are not insured, or for which we did not obtain or maintain insurance, or which is not covered by insurance, exceeds our insurance coverage or where our insurance claims are rejected, the loss would have to be borne by us and our results of operations, financial performance and cash flows could be adversely affected.

**19. *We rely on telecommunications and information technology systems, networks and infrastructure to operate our business and any interruption or breakdown or failure in such systems, networks or infrastructure or our technical systems or any cybersecurity breaches could impair our ability to effectively provide our services and may lead to operational interruption, liabilities or reputational harm.***

Our business operations, the quality of our service and our ability to attract and retain customers depend on the efficient and uninterrupted operation, reliability, speed and availability of information technology and telecommunications systems, networks and infrastructure, both internal and external. Also, our ability to effectively deploy, implement and use information technology systems and advanced technology initiatives in a cost effective and timely basis. Our computer networks may be vulnerable to unauthorised access, computer hacking, computer viruses, worms, malicious applications and other security problems caused by unauthorised access to, or improper use of, systems by our employees, subcontractors or third-party vendors. Any systems failure or security breach or lapse on our part or on the part of our employees and other ecosystem participants that results in the release of user data could harm our reputation and brand and, consequently, our business, in addition to exposing us to potential legal liability. Any such legal proceedings or actions may subject us to significant penalties and negative publicity, require us to change our business practices, increase our costs and severely disrupt our business.

Further, leakage of data, our technology systems, websites, mobile sites and servers are vulnerable to telecommunications failures, downtime, computer viruses, hacking, malware, defacement, unauthorized access, cyber-attacks, physical or electronic break-ins, other cybersecurity breaches and similar disruptions, which could lead to accessing difficulties, service interruptions, delays, loss of our database content, unauthorized disclosure and/ or loss of proprietary and/ or confidential information pertaining to our clients or other breaches of our information security. We have not experienced any case of substantial disruption in the past. We cannot assure you that our back-up and business continuity planning would effectively eliminate or alleviate the risks arising from the above contingencies. Any damage to or failure of our systems could lead to loss of our database content or interruptions or delays, thereby impairing our ability to effectively provide our services, which could result in customer dissatisfaction.

In the event of any such system damage, interruption, or failure, we could experience delays in our operations, loss of critical data, and an overall degradation of our services. Furthermore, even if we are successful in repelling a cyber-attack or recovering from a systems failure, we may still need to invest a significant amount of resources in restoring the system, reworking the lost data, and enhancing security measures to prevent future occurrences. This could lead to increased operational expenses and, in turn, could have a material adverse impact on our profits. Additionally, any significant breach of our cybersecurity measures could result in a loss of trust from our clients, damage our reputation, and potentially lead to litigation or regulatory actions. While we have not experienced any material cybersecurity breaches in the past, we cannot guarantee that our measures will prevent all potential cybersecurity threats. Although, our company continues to invest in technology and human resources to mitigate these risks, there is no assurance that

such measures will be completely successful, and our operational expenses, reputation and business may be adversely affected despite these measures.

We may also experience interruptions caused by reasons beyond our control. Our success will depend upon third parties maintaining and improving the Internet infrastructure to provide a reliable network with speed and adequate data capacity and telecommunication networks with good clarity and lower congestion. We may not have access to alternative telecommunication networks other than those we currently use, in the event of disruptions, failures or any other problems in the network or infrastructure of our current telecommunications service providers. In addition, we cannot assure you that a more technologically sophisticated and reliable fixed telecommunications network or Internet infrastructure will be developed in India that will ensure our ability to deliver smooth and reliable provision of our products and services to our users. Any of the above could disrupt our ability to operate our online services or may materially affect the efficiency of the services provided by us, our reputation and financial condition.

**20. *We might have to comply with certain obligations or industry standards regarding security, data protection, and privacy, and any failure to comply with these requirements might have an adverse effect on our reputation, business, financial condition and operating results.***

As we continue to grow, we will collect, store and process the personal data of more influencers/ individuals. The more personal data we hold, the greater the likelihood that a significant failure in our internal controls or data security measures could result in a data breach affecting more individuals, which could expose us to greater potential liability through fines and compensation claims, significant reputational harm and a loss of trust that could deter influencers/ individuals from working with us.

As part of our operations, we are required to comply with the Information Technology Act, 2000 and the rules thereof, which provides for civil and criminal liability and the Digital Personal Data Protection Act, 2023, provisions whereof, which as and when made effective (“DPDP Act”) stipulate a monetary penalty in case of breach of the provisions of the DPDP Act. Although we have not had significant instances of data breaches in the past, we cannot assure you of any inconsistent or failure to meet all requirements of the laws and regulations relating to data privacy and security.

Further, data privacy and security have become significant issues globally. The regulatory framework for data privacy and security issues worldwide is rapidly evolving and various government bodies in several countries have adopted or are considering adopting laws and regulations limiting, or laws and regulations regarding the collection, distribution, use, disclosure, storage, and security of certain types of information. Compliance with current or future privacy and data protection laws (including those regarding security breach notification) affecting personal information to which we are subject could result in higher compliance and technology costs and could restrict our ability to provide certain services (such as services that involve us sharing personal information with third parties or storing personal information), which could materially and adversely affect our financial position and could reduce income from certain business initiatives.

Further, any inability to adequately address privacy, data protection or security-related concerns, even if unfounded, or to successfully negotiate privacy, data protection or security-related contractual terms with clients, or to comply with applicable laws, regulations and other obligations relating to privacy, data protection, and security, could result in additional cost and liability to us, damage our reputation and adversely affect our business. Privacy and personal security concerns, whether valid or not valid, may inhibit market adoption of our offerings, particularly in certain industries and foreign countries.

Further, any failure or perceived failure by us or our employees to comply with any applicable data privacy and protection laws and regulations, or any failure by our employees to comply with our relevant internal policies and measures, could subject us to legal proceedings, regulatory actions or penalties. However, in the last 3 financial years and as on the date of the DRHP, no legal proceedings relating to the above has been filed against us. However, the foregoing failures, if any, may also damage our reputation and discourage current and potential clients from using our services. Any of these could have a material adverse effect on our business and the results of operations.

**21. *Our Customers may undertake their advertising projects, market research and data analysis functions inhouse and setting up dedicated departments to service their marketing needs, thus reducing our prospective customer base. This may adversely affect our revenues and growth prospects.***

A growing number of companies across various sectors may begin to internalize their creative, advertising, marketing, data analytics and market research functions by establishing dedicated in-house departments due to a range of factors,

including cost-efficiency, increased control over strategic decisions, confidentiality and the desire to better leverage proprietary data. This trend could shift some portion of marketing work in-house, thereby may impact our growth prospects, and our financial performance. As companies opt to shift towards in-house operations, our prospective customer base may contract, leading to a potential decrease in the demand for our services and could have an adverse effect on our sales and revenues. Even if companies do not fully internalize these functions, they may reduce their reliance on external service providers like us, which could lead to a reduction in the volume of business we can expect from each such customer. Further, this internalization trend could also lead to a more competitive labour market for skilled professionals in advertising, data analytics, and market research. As a result, we may face increased competition in attracting and retaining talented employees, who are critical to our operations and service delivery. This could result in increased labour costs and reduced productivity, further eroding our profitability. Moreover, these developments could also reduce our ability to differentiate our services and maintain a competitive edge, given that in-house teams may have better access to, and understanding of, their company's proprietary data and strategic objectives which in turn could diminish our ability to attract and retain clients. Given these factors, the trend towards internalization of advertising and marketing functions could have an adverse effect on our business, results of operations, and financial condition.

***22. We could become liable to customers, suffer adverse publicity and incur substantial costs as a result of defects in our services, which in turn could adversely affect the value of our brand, and our sales could be diminished if we are associated with negative publicity.***

Any failure or defect in our services could result in a claim against us for damages, regardless of our responsibility for such a failure or defect. Although we attempt to maintain quality standards, we cannot assure that all our services would be of uniform quality, meet the customer standards which in turn could adversely affect the value of our brand, and our sales could be diminished if we are associated with negative publicity. Also, our business is dependent on the trust our customers have in the quality of our services. Any negative publicity regarding our company, brand, or services or any other unforeseen events could affect our reputation and our results from operations.

If the marketing campaigns are not well perceived by the audience/general public or negative publicity about the campaigns or our exclusive influencers can impact our business operations. Although in the past period/ years, we do not have any legal proceeding filed against our company or its promoters or promoter group entities or its KMP or SMP and have not suffered any negative publicity, we cannot assure you the same for the future. While we take necessary steps to provide inputs to the brands about their campaigns and also guide the influencers about their public presence, any negativity publicity attracted by the influencers who are exclusive to us or by the campaigns facilitated by us, there could be an adversarial impact on our business operations.

***23. We operate in a competitive environment and face fair competition in our business from organized and unorganized players, which may adversely affect our business operations and financial condition.***

The industries we operate in are highly competitive, encompassing both organized and unorganized markets. The influencer and digital marketing and social media management sectors have numerous competitors targeting the same clients and talent. Smaller agencies often offer lower commission rates, making it challenging for us to compete on price. Clients with limited budgets may gravitate toward cheaper options, even if those come with fewer services or lower quality.

Competition may result in pricing pressures, reduced profit margins, lost market share or a failure to grow our market share, any of which could substantially harm our business and results of operations. The domestic segment which we cater to is fragmented and fairly competitive. We compete primarily on the basis of quality of our services, customer satisfaction and marketing. Thus, some of our competitors may have certain other advantages over us, including established track record, superior service offerings, larger portfolio of services, well known and popular influencers, technology and greater market penetration, which may allow our competitors to better respond to market trends. They may also have the ability to spend more aggressively on marketing initiatives and may have more flexibility to respond to changing business and economic conditions than we do. In order to compete effectively, we must continue to maintain our reputation, be flexible and prompt in responding to rapidly changing market demands and customer preferences, and issue customer quality services at competitive prices. There can be no assurance that we can effectively compete with our competitors in the future, and any such failure to compete effectively may have a material adverse effect on our business, financial condition and results of operations.

***24. Due to low entry barriers in the digital marketing and advertising industry, we are constantly competing with new entrants providing niche services. If we are unable to manage this competition, we may be unable to retain our market share, reputation and revenues.***

The digital marketing and advertising industry is dynamic and talent-driven along with having relatively low barriers to entry in terms of capital requirements. New players frequently enter the market, offering niche or boutique services that can be highly appealing to our existing and potential clients. This scenario presents a constant challenge in terms of client retention and acquisition. The emergence of these new entrants, leveraging their specialized services and potentially aggressive pricing strategies, can lead to the loss of our valuable clients, which in turn could have a direct and adverse impact on our business, revenue and market position. Furthermore, the shift in client preferences towards these new market entrants could signal a change in industry dynamics, requiring us to adapt quickly to retain our competitive edge. Our ability to respond effectively to these changes, by innovating our service offerings and maintaining our service quality, is crucial in safeguarding our market position. While we continuously strive to strengthen our client relationships and enhance our service offerings, the risk of losing clients to new, agile competitors remains a persistent challenge. If we are unable to combat such entrants effectively, we may lose our market share, adversely impacting our client roster, reputation and business.

**25. Our business requires us to obtain and renew certain registrations, licenses and permits from government and regulatory authorities and the failure to obtain and renew them in a timely manner may adversely affect our business operations.**

Our business operations require us to obtain and renew from time to time, certain approvals, licenses, registrations and permits, some of which may expire and for which we may have to make an application for obtaining the approval or its renewal. We will be applying for certain approvals relating to our business. Though as on the date of this DRHP, we have obtained most of the requisite approvals and some are applied for, if we fail to maintain such registrations and licenses or comply with applicable conditions, or a regulatory authority claims we have not complied, with these conditions, our certificate of registration for carrying on a particular activity may be suspended and/or cancelled and we will not then be able to carry on such activity. This could materially and adversely affect our business, financial condition, and results of operations. We cannot assure you that we will be able to obtain approvals in respect of such applications or any application made by us in the future. For more information about the licenses required in our business and the licenses and approvals applied for, please refer “**Government and Other Approvals**” on page 211 of this DRHP, respectively.

**26. Write-off of bad debts could result in the reduction of our profits and affect our cash flows.**

Our operations involve extending credit to our customers and distributors in respect of our products, and consequently, we face the risk of non-receipt of these outstanding amounts in a timely manner or at all, particularly in the absence of long-term arrangements with customers and distributors. Our inability to collect receivables from our customers and distributors in a timely manner or at all in future, could adversely affect our working capital cycle, financial condition, results of operations and cash flows.

Our receivable turnover days in relation to revenue from continuing operations for the nine months ended December 31, 2024 and Fiscals 2024, 2023 and 2022 were 103 days, 56 days, 65 days, and 75 days, respectively, and any increase in our receivable turnover days will negatively affect our business.

Macroeconomic conditions could also result in financial difficulties, including insolvency or bankruptcy, for our customers and distributors, and as a result could cause customers and distributors to delay payments to us, request modifications to their payment arrangements, that could increase our receivables or affect our working capital requirements, or default on their payment obligations to us. In particular, farmers may be adversely affected by a number of factors beyond their control, such as, severe monsoon, drought or low prices for their crops, which could affect their financial condition and consequently their ability to pay the distributors for products that have already been sold to them and used by them.

Details of bad debts and provision for expected credit loss for the nine months ended December 31, 2024 and for Fiscal 2024, Fiscal 2023 and Fiscal 2022, including as a percentage of our revenue from continuing operations are provided below:

(₹ in lakhs, except for percentage)

Particulars	31.12.2024		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount	% #	Amount	% #	Amount	% #	Amount	% #
Bad Debts	0.00	0.00	30.16	0.54	13.26	0.33	0.67	0.02
Provision for doubtful debts	4.78	0.11	2.78	0.05	13.97	0.35	16.24	0.51



# As a percentage of Revenue from Continuing Operations

An increase in bad debts or in defaults by our customer and/ or distributors may compel us to utilize greater amounts of our operating working capital and result in increased interest costs, thereby adversely affecting our results of operations and cash flows.

**27. We encounter risks related to our export sale and risk related to the fluctuations in currency exchange rates.**

We derive our revenues from our business operations from India and outside India. For the period ended December 31, 2024, March 31, 2024, March 31, 2023, March 31, 2022, the revenue earned from our business operations conducted outside India contributed 4.08%, 2.94%, 2.96% and 6.31% of our revenue from operations, respectively. For details on our Geography wise sales break up, please refer to page no. 104 of the DRHP.

Compliance with international laws and regulations that apply to our international operations may increase our cost of doing business in such foreign jurisdictions. These laws and regulations include local laws which may include stricter data privacy requirements, labour relations laws, tax laws, intellectual property laws, anti- competition regulations, import, foreign currency and trade restrictions. Violations of these laws and regulations could result in fines, criminal sanctions against us, our officers or our employees, prohibitions on the conduct of our business, as well as default under our contracts with customers.

Compliance with these laws requires a significant amount of management attention and effort, which may divert management's attention from managing our business operations and growth strategy, and increase our expenses as we engage specialised or other additional resources to assist us with our compliance efforts. Our success depends, in part, on our ability to anticipate these risks and manage these difficulties, as well as our information systems, any of which could impact our competitive position and reduce our revenue and profitability. There can be no assurance that we will be able to effectively manage our expansion into new international markets.

Further, we have incurred loss/(gain) on foreign currency transactions of Rs. 6.28 Lakhs, Rs. 9.25 Lakhs, Rs. (1.01) Lakhs and Rs. (2.74) Lakhs and for the nine months period ended December 31, 2024 and financial years ending March 31, 2024, March 31, 2023 and March 31, 2022, respectively. Similarly, fluctuations in the value of currencies against the Rupee in future can result in variations in our operating results when expressed in Rupees. The exchange rates between the Rupee and other currencies are subject to variability and may continue to fluctuate in the future. We do not hedge our foreign exposure, any adverse or unexpected fluctuations in the unhedged exchange rate of foreign currencies against the Indian Rupee could impact our company's results of operations.

**28. We have in the past entered into related party transactions and may continue to do so in the future, which may potentially involve conflicts of interest with the equity shareholders.**

We have entered into related party transactions with our Promoters, Promoter Group, Group Entities and Directors. For details of these transactions, please refer “**Related Party Transactions**” on page 187 of the DRHP. While our Company confirms that all such transactions have been conducted on an arm's length basis and are accounted as per AS 18 and are in compliance with the provisions of the Companies Act, 2013 and other applicable laws, however there can be no assurance that we could not have achieved more favourable terms had such transactions not been entered into with related parties.

Following are the details of related party transactions as certified by our Statutory Auditor M/s. Joy Mukherjee & Associate vide their Certificate dated February 19, 2025 (UDIN: 25419374BMOHJX9203):

**Related Party Transactions**

(Rs. in Lakhs, except as mentioned in percentage)

Name of Related Party #	Nature of Transaction	31.12.2024		31.03.2024		31.03.2023		31.03.2022	
		Amount	% \$	Amount	% \$	Amount	% \$	Amount	% \$
Raj Mishra *	KMP/ Director Remuneration	225.00	5.00	125.00	2.26	0.00	0.00	0.00	0.00
Pranay Swarup	Director Remuneration	0.00	0.00	0.00	0.00	130.35	3.24	58.09	1.82
Julie Kriegshaber	Remuneration	0.00	0.00	27.35	0.49	22.58	0.56	28.29	0.88
Pranay Swarup	Professional Charges	0.00	0.00	23.40	0.42	20.62	0.51	0.00	0.00
Qyou Media Inc.	Sales	0.00	0.00	0.00	0.00	4.00	0.10	0.00	0.00

Name of Related Party #	Nature of Transaction	31.12.2024		31.03.2024		31.03.2023		31.03.2022	
		Amount	% \$	Amount	% \$	Amount	% \$	Amount	% \$
Qyou Media India Private Limited	Sales	0.00	0.00	300.00	5.42	0.00	0.00	0.00	0.00
Glitch Media Private Limited	Sales	0.00	0.00	0.00	0.00	30.14	0.75	58.46	1.83
Qyou Media Inc.	Management fees paid	0.00	0.00	50.00	0.90	216.00	5.37	300.00	9.38
Qyou Media India Private Limited*	Reimbursement of Expenses	450.00	10.00	303.02	5.47	0.00	0.00	0.00	0.00
Qyou Media India Private Limited	Interest on Long term advances	21.04	0.47	0.00	0.00	0.00	0.00	0.00	0.00
<b>Details of Balances outstanding with Related parties at period / year end</b>									
Qyou Media Inc.	Management fees	0.00	0.00	0.00	0.00	216.00	5.37	300.00	9.38
Qyou Media Inc.	Trade Receivable	0.00	0.00	0.00	0.00	4.00	0.10	0.00	0.00
Raj Mishra	Remuneration payable	15.62	0.35	16.78	0.30	0.00	0.00	0.00	0.00
Qyou Media India Private Limited	Trade Receivable	322.26	7.16	270.00	4.88	0.00	0.00	0.00	0.00
Qyou Media India Private Limited	Interest accrued but not due	18.94	0.42	0.00	0.00	0.00	0.00	0.00	0.00
Qyou Media India Private Limited	Loans & Advances / Other Receivable	405.00	9.00	272.71	4.93	0.00	0.00	0.00	0.00
Glitch Media Private Limited	Trade Receivable	0.00	0.00	0.00	0.00	0.70	0.02	14.63	0.46
Pranay Swarup	Remuneration / Professional Charges	0.00	0.00	0.00	0.00	14.18	0.35	6.50	0.20
Julie Kriegshaber	Remuneration payable	0.00	0.00	0.00	0.00	1.34	0.03	3.13	0.10

\$ As a % of the total revenue for the respective year/ period

#None of the Related party transactions constitutes more than 20% of the total revenue for the respective year/ period

\*The Company has entered into an Expense Reimbursement Agreement dated April 05, 2023 and further Addendum Agreement No. 1 dated November 01, 2023 and Addendum Agreement No. 2 dated April 01, 2024 (all Agreements together are referred as “Reimbursement Agreements”), with its fellow subsidiary QYOU Media India Private Limited (QMIPL), engaged in Media and Entertainment Industry, pursuant to which the Companies share certain resources and expenditures such as general administration, security, office space, employees, content creation and allied services, finance and accounts and others in order to optimize the costs and for efficient business synergies on the group level and therefore, may engage with different external and internal service providers to carry out various business activities. Further, pursuant to the said Reimbursement Agreements, 2/3<sup>rd</sup> of Raj Nandan Mishra’s salary is agreed to be reimbursed by QYOU Media India Private Limited to our Company.

We cannot assure you that we will be able to maintain the terms of such transactions or in the event that we enter future transactions with related parties, that the terms of the transactions will be favourable to us. Additionally, while all our related party transactions have been conducted on an arm’s-length basis and in compliance with all applicable laws and regulations, we cannot provide assurance that we could have achieved more favourable terms had such

transactions been entered with third parties. We may also enter related party transactions in the future, which could involve conflicts of interest, although going forward, all related party transactions that we may enter will be subject to audit committee or board or shareholder approval, as applicable, as under the Companies Act, 2013 and the SEBI (LODR) Regulations. As such, we can provide no assurance that these transactions will not adversely affect our business, results of operation, cash flows and financial condition.

**29. Our Company had negative cash flow from operating activity in recent period/ fiscals, details of which are given below.**

Sustained negative cash flow could adversely impact our business, financial condition and results of operations. The detailed break up of cash flows is summarized in below table and our Company has reported negative cash flow from investing and financing activity in the financial years is as mentioned below, which could affect our business and growth:

(₹ in Lakhs)				
Particulars	31.12.2024	31.03.2024	31.03.2023	31.03.2022
Net cash generated from / (used in) operating activities	-131.63	430.78	-203.48	191.44
Net cash generated from / (used in) Investing Activities	237.04	-537.37	-194.00	23.58
Net cash generated from / (used in) from financing activities	0.00	0.00	0.00	0.00

Cash flow of a company is a key indicator to show the extent of cash generated from operations to meet its capital expenditure, pay dividends, repay loans and make new investments without raising finance from external resources. If we are not able to generate sufficient cash flow, it may adversely affect our business and financial operations. For further, details please refer to the section titled “**Financial Statements**” and chapter titled “**Management's Discussion and Analysis of Financial Conditions and Results of Operations**” beginning on page 160 and page 190 respectively, of this DRHP.

**30. Our Company has allotted Equity Shares during the preceding one year from the date of the Draft Red Herring DRHP which are lower than the Issue Price.**

Our Company has allotted the following Equity Shares during the preceding one year from the date of the DRHP which are lower than the Issue Price:

Date of Allotment	No. of Equity Shares	Face Value (₹)	Issue Price (₹)	Nature / Reason of Allotment	Nature of Consideration
December 13, 2024	1,02,88,000	10	Nil	Bonus Issue in the ratio of 80:1	Nil

For Further details of equity shares issued, please refer to the section titled “**Capital Structure**” on page 62 of this DRHP.

**31. There were certain instances of delay/ default in payment of statutory dues by our Company in the past.**

For the past three Fiscals and the period ended December 31, 2024, there were certain instances of delay/ default in payment of statutory dues including Employee Provident Fund, Good and Service Tax, Tax Deducted at Source, Professional Tax, Income Tax due by our Company and as certificated by Joy Mukherjee & Associate, Statutory Auditor of our Company via its certificate (UDIN: 25419374BMOHKE7915) dated February 19, 2025. Though these delays/ defaults were not material in nature and the same were regularized subsequently by making necessary payments with fees, interest and penalties as applicable and there are no outstanding payments as on date of filing the DRHP, we cannot assure you that there will be no default or delay in future in payment of such statutory dues. Further, we cannot assure that we will not be subject to any legal proceeding or regulatory actions, including monetary penalties by statutory authorities on account of such delay/ default in payments or filing of returns, which may adversely affect our business, financial condition, and reputation.

**32. We have selected the Companies from the same sector in which we operate for “Peer Competitors – Comparison of Accounting Ratios” in Basis for Issue Price section, most of these listed Companies are very large compared to us and may have product portfolio larger than ours.**

Since we are a Company engaged in influencer and digital marketing and social media management sector, we have selected the listed Companies from same sector for “**Peer Competitors – Comparison of Accounting Ratios**” in Basis

for Issue Price section. For more details of these listed Companies, please refer to “**Peer Competitors – Comparison of Accounting Ratios**” on page 88 of the DRHP. Most of these listed Companies are very large compared to us and may have product portfolio larger than ours, hence we have considered the listed Companies which are in the similar line of business as ours is considered above for comparison. It is to be noted that the Company disclosed as listed peers are not comparable to our size and scale of operations and have product portfolio larger than ours and accordingly do not represent proper comparison.

Most of our peer competitors are larger than we are in terms of size of operations and they also have greater financial and marketing resources than we do, these reasons may have impact on the share price of our Company and in such events investors may lose part or full investments value. As our Company is small, our price may trade at substantial discount to the price of all our listed peers. Further, due to the above, we cannot predict what effect, if any, it will have on the share price of our Company when the equity shares get listed.

**33. *Our global operations expose us to numerous and sometimes conflicting legal and regulatory requirements, and violation of these regulations could harm our business.***

Since we provide services to customers across the world, we are subject to numerous, and sometimes conflicting, legal requirements on matters as diverse as import/export controls, taxation, data protection and privacy and certain regulatory requirements that are specific to our industries. Non-compliance with these regulations in the conduct of our business could result in fines, penalties, criminal sanctions against us or our officers, disgorgement of profits, prohibitions on doing business and have an adverse impact on our reputation. Gaps in compliance with these regulations in connection with the performance of our obligations to our customers could also result in exposure to monetary damages, fines and/or criminal prosecution, unfavourable publicity, restrictions on our ability to process information and allegations by our customers that we have not performed our contractual obligations.

**34. *We have not made any alternate arrangements for meeting our capital requirements for the Objects of the Offer. Further we have not identified any alternate source of financing the ‘Objects of the Offer’. Any shortfall in raising / meeting the same could adversely affect our growth plans, operations, and financial performance.***

As on date, we have not made any alternate arrangements for meeting our fund requirements for the objects of the Offer. We meet our fund requirements through our owned funds and internal accruals. Any shortfall in our net owned funds, internal accruals and our inability to raise debt in future would result in us being unable to meet our capital requirements, which in turn will negatively affect our financial condition and results of operations. Further we have not identified any alternate source of funding and hence any failure or delay on our part to raise money from this Offer or any shortfall in the Offer Proceeds may delay the implementation schedule and could adversely affect our growth plans. For further details please refer to the chapter titled “**Objects of the Offer**” beginning on page 73 of the DRHP.

**35. *Our Promoters and members of the Promoter Group will continue to jointly retain majority control over our Company after the Issue, which will allow them to determine the outcome of matters submitted to shareholders for approval.***

After the completion of this IPO, our Promoters and promoter group will beneficially own approximately [●]% of our post-Issue equity share capital. As a result, the Promoters and Promoter Group may have the ability to control our business including matters relating to any sale of all or substantially all of our assets, the timing and distribution of dividends and the election or termination of appointment of our officers and directors. This control could delay, defer or prevent a change in control of the Company, impede a merger, consolidation, takeover or other business combination involving the Company, or discourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of the Company even if it is in the Company’s best interest. In addition, for so long as the Promoters Group continues to exercise significant control over the Company, they may influence the material policies of the Company in a manner that could conflict with the interests of our other shareholders. The Promoter Group may have interests that are adverse to the interests of our other shareholders and may take positions with which our other shareholders do not agree.

**36. *We have not made any dividend payments in the past and our ability to pay dividends in the future will depend upon future earnings, financial condition, cash flows, working capital requirements, capital expenditures and restrictive covenants in our financing arrangements.***

In the past, we have not made dividend payments to the shareholders of our Company. The amount of our future dividend payments, if any, will depend upon various factors including our future earnings, financial condition, cash flows and requirement to fund operations and expansion of the business. There can be no assurance that we will be

able to declare dividends. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors. For further details, see “*Dividend Policy*” on page 159.

**37. Any variation in the utilization of the Net Proceeds as disclosed in this DRHP shall be subject to certain compliance requirements, including prior Shareholders’ approval.**

In accordance with Section 27 of the Companies Act, 2013, we cannot undertake any variation in the utilization of the Net Proceeds as disclosed in this DRHP without obtaining the shareholders’ approval through a special resolution. In the event of any such circumstances that requires us to undertake variation in the disclosed utilisation of the Net Proceeds, we may not be able to obtain the Shareholders’ approval in a timely manner, or at all. Any delay or inability in obtaining such Shareholders’ approval may adversely affect our business or operations. Further, our Promoters or controlling shareholders would be required to provide an exit opportunity to the shareholders who do not agree with our proposal to modify the objects of the Offer as prescribed in the SEBI (ICDR) Regulations. If our shareholders exercise such exit option, our business and financial condition could be adversely affected. Therefore, we may not be able to undertake variation of objects of the Offer to use any unutilized proceeds of the Offer, if any, even if such variation is in the interest of our Company, which may restrict our ability to respond to any change in our business or financial condition, and may adversely affect our business and results of operations.

**38. Our funding requirements and deployment of the Offer Proceeds are based on management estimates and have not been independently appraised by any bank or financial institution.**

Our funding requirements and the deployment of the proceeds of the Offer are based on management estimates and our current business plan. The fund requirements and intended use of proceeds have not been appraised by bank or financial institution and are based on our estimates. In view of the competitive and dynamic nature of our business, we may have to revise our expenditure and fund requirements as a result of variations including in the cost structure, changes in estimates and other external factors, which may not be within the control of our management. This may entail rescheduling, revising, or cancelling the planned expenditure and fund requirement and increasing or decreasing the expenditure for a particular purpose from its planned expenditure at the discretion of our board. In addition, schedule of implementation as described herein are based on management’s current expectations and are subject to change due to various factors some of which may not be in our control.

**39. The determination of the Price Band is based on various factors and assumptions and the Issue Price of the Equity Shares may not be indicative of the market price of the Equity Shares after the Issue.**

The determination of the Price Band is based on various factors and assumptions, and will be determined by us in consultation with the Book Running Lead Manager. Furthermore, the Issue Price of the Equity Shares will be determined by us in consultation with the Book Running Lead Manager through the Book Building Process. These will be based on numerous factors, including factors as described under “*Basis for Issue Price*” beginning on page 89 and may not be indicative of the market price for the Equity Shares after the Offer.

In addition to the above, the current market price of securities listed pursuant to certain previous initial public offerings managed by the Book Running Lead Manager is below their respective issue price. For further details, see “*Other Regulatory and Statutory Disclosures – Price information of past issues handled by the Book Running Lead Manager*” on page 202. The factors that could affect the market price of the Equity Shares include, among others, broad market trends, our financial performance and results post-listing, and other factors beyond our control. We cannot assure you that an active market will develop or sustained trading will take place in the Equity Shares or provide any assurance regarding the price at which the Equity Shares will be traded after listing.

**40. Our Company’s management will have flexibility in utilizing the Net Proceeds. There is no monitoring agency appointed by our Company and the deployment of funds is at the discretion of our Management and our Board of Directors, though it shall be monitored by our Audit Committee.**

The deployment of the funds towards the objects of the Offer is entirely at the discretion of the Board of Directors/Management and is not subject to monitoring by external independent agency. As per SEBI (ICDR) Regulations, 2018, as amended, appointment of monitoring agency is required only for Offer size above ₹ 10,000.00 lakhs. Hence, we have not appointed any monitoring agency to monitor the utilization of Offer Proceeds. However, the audit committee of our Board will monitor the utilization of Offer Proceeds in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, our Company shall inform about material deviations in the utilization of Offer Proceeds to BSE and shall also simultaneously make the material deviations / adverse comments of the audit committee public. Any inability on our part to effectively utilize the Offer Proceeds could adversely affect

our financials.

**41. *We have not commissioned an industry report for the disclosures made in the chapter titled “Industry Overview” and made disclosures on the basis of the data available on the internet.***

We have not commissioned an industry report, for the disclosures which need to be made in the chapter titled “Industry Overview” of this DRHP. We have made disclosures in the said chapter on the basis of the relevant industry data available online in public domain. We cannot assure you that any assumptions made are correct or will not change and, accordingly, our position in the market may differ from that presented in this DRHP. 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. Further, the industry data mentioned in this DRHP or sources from which the data has been collected are not recommendations to invest in our Company. Accordingly, investors should read the industry related disclosure in this DRHP in this context.

**42. *The requirements of being a listed company may strain our resources.***

The management is well versed with running a listed company already. However, this company is being listed and has not been subjected to the increased scrutiny of our affairs by shareholders, regulators and the public that is associated with being a listed company. As a listed company, we will incur significant legal, accounting, corporate governance, and other expenses that we did not incur as an unlisted company. We will be subject to the SEBI (LODR) Regulations, which require us to file audited / unaudited reports periodically with respect to our business and financial condition. If we experience any delays, we may fail to satisfy our reporting obligations and/or we may not be able to readily determine and accordingly report any changes in our results of operations as timely as other listed companies.

As a listed company, we will need to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, for which significant resources and management overview will be required. As a result, management’s attention may be diverted from other business concerns, which could adversely affect our business, prospects, financial condition, and results of operations. Further, we may need to hire additional legal and accounting staff with appropriate and relevant experience and technical accounting knowledge and we cannot assure you that we will be able to do so in a timely manner or at all.

## **EXTERNAL RISKS**

**43. *Any downturn in the macroeconomic environment in India could adversely affect our business, results of operations, cash flows and financial condition.***

India is our key market. For Fiscal 2024, majority of our Company’s revenue from operations was from India. In addition, an increase in India’s trade deficit, a downgrading in India’s sovereign debt rating or a decline in India’s foreign exchange reserves could increase interest rates and adversely affect liquidity, which could adversely affect the Indian economy and our business, results of operations, cash flows and financial condition.

**44. *Changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws, in the jurisdictions in which we operate may adversely affect our business and results of operations.***

Our business is subject to various laws and regulations, which are evolving and subject to change. For details, see “**Key Industrial Regulations and Policies in India**” on page 126. We are also subject to corporate, taxation and other laws in effect in India, which require continued monitoring and compliance. These laws and regulations and the way in which they are implemented and enforced may change. There can be no assurance that future legislative or regulatory changes will not have any adverse effect on our business, results of operations, cash flows and financial condition.

**45. *Natural disasters, fires, epidemics, pandemics, acts of war, terrorist attacks, civil unrest and other events could materially and adversely affect our business.***

Natural disasters (such as typhoons, flooding and earthquakes), epidemics, pandemics such as COVID-19, acts of war, terrorist attacks and other events, many of which are beyond our control, may lead to economic instability, including

in India, or globally, which may in turn materially and adversely affect our business, financial condition and results of operations. Our operations may be adversely affected by fires, natural disasters and/or severe weather, which can result in damage to our property or inventory and generally reduce our productivity and may require us to evacuate personnel and suspend operations.

**46. *Significant differences exist between Indian GAAP and Ind AS and other accounting principles, such as IFRS and US GAAP, which may be material to investors' assessments of our financial condition, result of operations and cash flows.***

Our financial statements for Fiscals 2024, 2023 and 2022 included in this Draft Red Herring Prospectus are prepared and presented in conformity with Indian GAAP and restated in accordance with the requirements the SEBI (ICDR) Regulations and the Guidance Note on "Reports in Company Draft Red Herring Prospectuses (Revised 2016)" issued by the ICAI. Indian GAAP differs from Ind AS and other accounting principles with which prospective investors may be familiar in other countries, such as IFRS and U.S. GAAP. Accordingly, the degree to which the Financial Statements included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Persons not familiar with Indian accounting practices should limit their reliance on the financial disclosures presented in this Draft Red Herring Prospectus.

**RISKS RELATING TO THE EQUITY SHARES AND THE OFFER**

**47. *Investors bear the risk of fluctuations in the price of Equity Shares and there can be no assurance that a liquid market for our Equity Shares will develop following the listing of our Equity Shares on the Stock Exchanges.***

There has been no public market for our Equity Shares prior to the Offer. The price may not necessarily be indicative of the market price of our Equity Shares after the Offer is completed. You may not be able to re-sell your Equity Shares at or above the Issue Price and may as a result lose all or part of your investment.

Our Equity Shares are expected to trade on SME Platform of BSE after the Offer, but there can be no assurance that active trading in our Equity Shares will develop after the Offer, or if such trading develops that it will continue. Investors may not be able to sell our Equity Shares at the quoted price if there is no active trading in our Equity Shares.

The price at which our Equity Shares will trade at after the Offer will be determined by the marketplace and may be influenced by many factors, including:

- Our financial condition, results of operations and cashflows;
- The history of and prospects for our business;
- An assessment of our management, our past and present operations, and the prospects for as well as timing of our future revenues and cost structures; and
- The valuation of publicly traded companies that are engaged in business activities similar to ours;
- quarterly variations in our results of operations;
- results of operations that vary from the expectations of securities analysts and investors;
- results of operations that vary from those of our competitors;
- changes in expectations as to our future financial performance, including financial estimates by research analysts and investors;
- a change in research analysts' recommendations;
- announcements by us or our competitors of significant acquisitions, strategic alliances, joint operations, or capital commitments;
- announcements of significant claims or proceedings against us;
- new laws and government regulations that directly or indirectly affect our business;
- additions or departures of Key Management Personnel;
- changes in the interest rates;
- fluctuations in stock market prices and volume; and general economic conditions.

The Indian stock markets have, from time to time, experienced significant price and volume fluctuations that have affected market prices for the securities of Indian companies. As a result, investors in our Equity Shares may experience a decrease in the value of our Equity Shares regardless of our financial performance or prospects.

**48. *Any future issuance of Equity Shares by us or sale of Equity Shares by the Promoters could adversely affect the trading price of our Equity Shares and in the case of the issuance of Equity Shares by us result in the dilution of our then current shareholders.***

As disclosed in “**Capital Structure**” on page 62, an aggregate of 20% of our fully diluted post-Offer capital held by our Promoters shall be considered as minimum Promoters’ contribution and locked in for a period of three years and the balance Equity Shares held by the Promoters will be locked-in for one year from the date of Allotment. Except for the customary lock-in on our ability to issue equity or equity-linked securities discussed in “**Capital Structure**” on page 62, there is no restriction on our ability to issue Equity Shares. As such, there can be no assurance that our Company will not issue additional Equity Shares after the lock-in period expires or that the Promoters will not sell, pledge or encumber their Equity Shares after the lock-in periods expire. Future issuances of Equity Shares or convertible securities and the sale of the underlying Equity Shares could dilute the holdings of our Shareholders and adversely affect the trading price of our Equity Shares. Such securities may also be issued at prices below the then trading price of our Equity Shares or the Issue Price. Sales of Equity Shares by the Promoters could also adversely affect the trading price of our Equity Shares.

**49. You may be subject to Indian taxes arising out of capital gains on the sale of our Equity Shares.**

Previously, any gain realized on the sale of listed equity shares on or before March 31, 2018 on a stock exchange held for more than 12 months was not subject to long term capital gains tax in India if Securities Transaction Tax (“STT”) was paid on the sale transaction and additionally, as stipulated by the Finance Act, 2017, STT had been paid at the time of acquisition of such equity shares on or after October 1, 2004, except in the case of such acquisitions of Equity Shares which are not subject to STT, as notified by the Central Government under notification no. 43/2017/F. No. 370142/09/2017-TPL on June 5, 2017. However, the Finance Act, 2018, now seeks to tax on such long-term capital gains exceeding ₹ 100,000 arising from sale of equity shares on or after April 1, 2018, while continuing to exempt the unrealized capital gains earned up to January 31, 2018 on such Equity Shares. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of STT, on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold.

Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short-term capital gains tax in India. Capital gains arising from the sale of the Equity Shares will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is 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 jurisdiction on a gain upon the sale of the Equity Shares.

**50. QIBs and Non-Institutional Bidders are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid.**

Pursuant to the SEBI ICDR Regulations, QIBs and Non-Institutional Bidders are not permitted to withdraw or lower their applications (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting an application. Retail Individual Bidders can revise their applications during the Offer Period and withdraw their applications until Offer Closing Date. While we are required to complete Allotment, listing and commencement of trading pursuant to the Offer within three Working Days from the Offer Closing Date, events affecting the Bidders’ decision to invest in our Equity Shares, including adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of operations, cash flows and financial condition may arise between the date of submission of the Bid and Allotment, listing and commencement of trading. We may complete the Allotment, listing and commencement of trading of our Equity Shares even if such events occur and such events may limit the Bidders’ ability to sell our Equity Shares Allotted pursuant to the Offer or may cause the trading price of our Equity Shares to decline on listing.

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

The Indian financial market and the Indian economy are influenced by economic and market conditions in other countries, particularly in emerging market in Asian countries. Financial turmoil in Asia, Europe, the U.S. and elsewhere in the world in recent years has affected the Indian economy. Although economic conditions are different in each country, investors’ reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss in investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability, including the financial crisis and fluctuations in the stock markets in China and further deterioration of credit conditions in the U.S. or European markets, could also have a negative impact on the Indian economy. Any financial disruption could have an adverse effect on our business, future financial performance, shareholders’ equity, and the price of our Equity Shares.



Our performance, growth and market price of our Equity Shares are and will be dependent on the health of the Indian economy. 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. India's 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. Consequently, any future slowdown in the Indian economy could harm our business, results of operations, cash flows 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.

**52. *Changing laws, rules and regulations and legal uncertainties in India, including adverse application of corporate and tax laws, may adversely affect our business and financial results.***

Our business and financial performance could be adversely affected by any change in laws or interpretations of existing laws, or the promulgation of new laws, rules and regulations applicable to us and our business including those relating to the industry in which we operate. There can be no assurance that the Government of India or state governments will not introduce new laws, regulations and policies which will require us to obtain additional approvals and licenses or impose onerous requirements on our business.

For example, the new Companies Act, 2013 contains significant changes to Indian company law, including in relation to the issue of capital by companies, disclosures in offer documents, related party transactions, corporate governance, audit matters, internal controls, shareholder class actions, restrictions on the number of layers of subsidiaries, prohibitions on loans to directors, insider trading and restrictions on directors and key management personnel from engaging in forward dealing. Moreover, effective April 1, 2014, companies exceeding certain net worth, revenue or profit thresholds are required to spend at least 2% of average net profits from the immediately preceding three financial years on corporate social responsibility projects, failing which an explanation is required to be provided in such companies' annual reports.

The Ministry of Finance has issued a notification dated March 31, 2015 notifying ICDS which creates a new framework for the computation of taxable income. Subsequently, the Ministry of Finance, through a press release dated July 6, 2016, deferred the applicability of ICDS from April 1, 2015 to April 1, 2016 and is applicable from FY 2017 onwards and will have impact on computation of taxable income for FY 2017 onwards. ICDS deviates in several respects from concepts that are followed under general accounting standards, including Indian GAAP and Ind AS. Such specific standards for computation of income taxes in India are relatively new, and the impact of the ICDS on our results of operations and financial condition is uncertain. There can be no assurance that the adoption of ICDS will not adversely affect our business, results of operations and financial condition going forward.

The Government of India has recently approved the adoption of a comprehensive national goods and services tax ("GST") regime that will combine taxes and levies by the Central and State Governments into a unified rate structure, with effect from July 1, 2017. Given the limited availability of information in the public domain concerning the GST, we cannot provide any assurance as to this or any other aspect of the tax regime following implementation of the GST. The implementation of this rationalized tax structure may be affected by any disagreement between certain state governments, which may create uncertainty. Any future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable. If, because of a particular tax risk materializing, the tax costs associated with certain transactions are greater than anticipated, it could affect the profitability of such transactions.

We have not determined the effect of such legislations on our business. 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 and other burdens relating to compliance with such new requirements, which may also require significant 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.

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

We are a limited liability company incorporated under the laws of India. All our directors except Curt Marvis and Kevin Richard Williams and executive officers are residents of India and all 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 us or such persons outside of India, or to enforce judgments obtained against such parties outside of India.

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

However, under the CPC, such presumption may be displaced by proving that the court did not have jurisdiction. India is not a party to any international convention on the enforcement of foreign judgments. However, the United Kingdom, Aden, Fiji, Singapore, the Federation of Malaya, Trinidad and Tobago, New Zealand, the Cook Islands (including Niue) and the Trust Territories of Western Samoa, Hong Kong, Papua and New Guinea, Bangladesh and the United Arab Emirates have been officially recognized as “reciprocating territories” by the Central Government. Section 44A of the CPC provides that where a foreign judgment has been rendered by a superior court, within the meaning of that Section, in any country or territory outside of India which the Central Government has by notification declared to be in a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by the relevant court in India. However, Section 44A of the CPC is applicable only to monetary decrees not being of the same nature as amounts payable in respect of taxes, other charges of a like nature or of a fine or other penalty.

The United States and India do not currently have a treaty providing for reciprocal recognition and enforcement of judgments, other than arbitration awards, in civil and commercial matters. Therefore, a final judgment for the payment of money rendered by any federal or state court in the United States on civil liability, whether or not predicated solely upon the federal securities laws of the United States, would not be enforceable in India. However, the party in whose favour such final judgment is rendered may bring a new suit in a competent court in India based on a final judgment that has been obtained in the United States. The suit must be brought in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India.

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

**54. *The Equity Shares have never been publicly traded, and, after the Offer, the Equity Shares may experience price and volume fluctuations, and an active trading market for the Equity Shares may not develop. Further, the price of the Equity Shares may be volatile, and you may be unable to resell the Equity Shares at or above the Issue 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 SME Platform of BSE may not develop or be sustained after the Offer. Our Company and the Book Running Lead Manager have appointed [●] as Designated Market Maker for the Equity Shares of our Company. 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 Issue Price of the Equity Shares may not be indicative of the market price of the Equity Shares at the time of commencement of trading of the Equity Shares or at any time thereafter. The market price of the Equity Shares may be subject to significant fluctuations in response to, among other factors, variations in our operating results of our Company, market conditions specific to the industry we operate in, developments relating to India, volatility in the SME Platform of BSE, securities markets in other jurisdictions, variations in the growth rate of financial indicators, variations in revenue or earnings estimates by research publications, and changes in economic, legal and other regulatory factors.



## SECTION IV – INTRODUCTION

## THE OFFER

Following table summarises the present Offer in terms of this Draft Red Herring Prospectus:

Particulars	Details of Equity Shares
<b>Equity Shares Offered through Public Issue</b> <sup>(1)(2)</sup>	37,27,200 Equity Shares of face value of ₹ 10 each fully paid up for cash at price of ₹ [●] (including a Share premium of ₹ [●] per Equity Share) per Share aggregating to ₹ [●] Lakhs.
<b>Out of which:</b>	
<b>Issue Reserved for the Market Makers</b>	1,87,200 Equity Shares having face value of ₹ 10 each for cash at a price of ₹ [●] (including a Share premium of ₹ [●] per Equity Share) per share aggregating to ₹ [●] Lakhs.
<b>Net Issue to the Public</b>	35,40,000 Equity Shares having face value of ₹ 10 each for cash at a price of ₹ [●] (including a Share premium of ₹ [●] per Equity Share) per share aggregating to ₹ [●] Lakhs.
<b>Out of which*</b>	
<b>A. Allocation to QIB Portion</b> <sup>(3)(4) (5)</sup>	Not more than [●] Equity Shares of ₹10 each for cash at a price of ₹ [●] (including a Share premium of ₹ [●] per Equity Share) per share aggregating to ₹ [●] Lakhs
<b>Of which</b>	
i) Anchor Investor Portion	Upto [●] Equity Shares having face value of ₹ 10 each for cash at a price of ₹ [●] (including a Share premium of ₹ [●] per Equity Share) per share aggregating to ₹ [●] Lakhs
ii) Net QIB Portion (assuming Anchor Investor Portion is fully subscribed)	Upto [●] Equity Shares having face value of ₹ 10 each for cash at a price of ₹ [●] (including a Share premium of ₹ [●] per Equity Share) per share aggregating to ₹ [●] Lakhs.
<b>Of which</b>	
(a) Available for allocation to Mutual Funds only (5% of the Net QIB Portion)	Upto [●] Equity Shares of ₹ [●] each for cash at a price of ₹ [●] (including a Share premium of ₹ [●] per Equity Share) per share aggregating to ₹ [●] Lakhs
(b) Balance of QIB Portion for all QIBs including Mutual Funds	Upto [●] Equity Shares of ₹ [●] each for cash at a price of ₹ [●] (including a Share premium of ₹ [●] per Equity Share) per share aggregating to ₹ [●] Lakhs
<b>B. Allocation to Non-Institutional Portion</b>	Not less than [●] Equity Shares of ₹10 each for cash at a price of ₹ [●] (including a Share premium of ₹ [●] per Equity Share) per share aggregating to ₹ [●] Lakhs
<b>C. Allocation to Retail Portion</b>	Not less than [●] Equity Shares of ₹10 each for cash at a price of ₹ [●] (including a Share premium of ₹ [●] per Equity Share) per share aggregating to ₹ [●] Lakhs
<b>Pre and Post – Issue Equity Shares</b>	
<b>Equity Shares outstanding prior to the Issue</b>	1,04,16,600 Equity Shares of Face value of ₹10 each
<b>Equity Shares outstanding after the Issue</b>	1,41,43,800 Equity Shares of Face value of ₹10 each
<b>Use of Net Proceeds by our Company</b>	Please see the chapter titled “ <i>Objects of the Issue</i> ” on page 73 of this Draft Red Herring Prospectus.

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

- (1) The Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. This Issue is being made by our company in terms of Regulation of 229 (2) of SEBI ICDR Regulations read with Rule 19(2)(b)(i) of SCRR wherein not less than 25% of the post – issue paid up equity share capital of our company are being offered to the public for subscription.
- (2) The Issue has been authorized by the Board of Directors vide a resolution passed at its meeting held on January 21, 2025 and by the Shareholder of our Company, vide a special resolution passed at the Extra Ordinary General Meeting held on February 05, 2025.

- (3) *The SEBI ICDR Regulations permit the issue of securities to the public through the Book Building Process, which states that, not less than 15 % of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35 % of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders and not more than 50% of the Net Issue shall be allotted on a proportionate basis to QIBs, subject to valid Bids being received at or above the Issue Price. Accordingly, we have allocated the Net Issue i.e.; not more than 50% of the Net Issue to QIB and not less than 35% of the Net Issue shall be available for allocation to Retail Individual Investors and not less than 15% of the Net Issue shall be available for allocation to Non-Institutional bidders.*
- (4) *Under-subscription, if any, in the QIB Portion would not be allowed to be met with spill-over from other categories or a combination of categories. Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories of Bidders at the discretion of our Company in consultation with the Book Running Lead Manager and the Designated Stock Exchange, subject to applicable laws.*

*Our Company may, in consultation with the Book Running Lead Manager, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allotment in the Mutual Fund Portion will be added to the Net QIB Portion and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids.*

- (5) *In the event of over-subscription, allotment shall be made on a proportionate basis, subject to valid Bids received at or above the Issue Price. Allocation to investors in all categories, except the Retail Portion, shall be made on a proportionate basis subject to valid bids received at or above the Issue Price. The allocation to each Retail Individual Investor shall not be less than the minimum Bid Lot, and subject to availability of Equity Shares in the Retail Portion, the remaining available Equity Shares, if any, shall be allocated on a proportionate basis.*

*SEBI through its circular (SEBI/HO/CFD/DIL2/CIR/P/2022/45) dated April 5, 2022, has prescribed that all individual investors applying in initial public offerings opening on or after May 1, 2022, where the application amount is up to ₹ 5 lakhs, shall use UPI. Individual investors bidding under the Non- Institutional Portion bidding for more than ₹ 2 lakhs and up to ₹ 5 lakhs, using the UPI Mechanism, shall provide their UPI ID in the Bid-cum-Application Form for Bidding through Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, Demat and Bank Account (3 in 1 type accounts), provided by certain brokers.*

*For further details, please refer section titled “**Issue Procedure**” beginning on page 241 of this Draft Red Herring Prospectus.*

## SUMMARY FINANCIAL INFORMATION

## RESTATED STATEMENT OF ASSETS AND LIABILITIES

(₹ in Lakhs)

Particulars	Note No.	31.12.24	31.03.24	31.03.23	31.03.22
<b>Equity &amp; Liabilities</b>					
<b>Shareholders Fund</b>					
Share capital	I.1	1,041.66	12.86	12.86	12.86
Reserves and surplus	I.2	1,278.61	1,665.08	812.46	684.62
<b>Total Shareholder's Fund</b>		<b>2,320.27</b>	<b>1,677.94</b>	<b>825.32</b>	<b>697.48</b>
<b>Non Current Liabilities</b>					
Long Term Borrowings		0.00	0.00	0.00	0.00
Long term provisions	I.3	5.97	4.51	1.84	2.15
Deferred Tax Liability (Net)		0.00	0.00	0.00	0.00
<b>Total Current Liabilities</b>		<b>5.97</b>	<b>4.51</b>	<b>1.84</b>	<b>2.15</b>
<b>Current Liabilities</b>					
Short Term Borrowings		0.00	0.00	0.00	0.00
Trade Payables	I.4	1,108.76	489.03	459.96	329.40
Other Current Liabilities	I.5	239.54	207.74	444.54	534.01
Short Term Provisions	I.6	25.89	21.43	8.35	10.34
<b>Total Current Liabilities</b>		<b>1,374.19</b>	<b>718.20</b>	<b>912.85</b>	<b>873.75</b>
<b>Total Equity &amp; Liability</b>		<b>3,700.43</b>	<b>2,400.65</b>	<b>1,740.01</b>	<b>1,573.38</b>
<b>Non-Current Assets</b>					
a) Property, Plant and Equipment and Intangible Assets					
Property, Plants and Equipment	I.7	43.35	41.32	9.45	2.66
Intangible Assets	I.7	0.79	0.79	0.79	0.79
Capital WIP - Intangible asset under development		467.71	445.68	208.46	0.00
<b>Total Fixed Assets (a)</b>		<b>511.85</b>	<b>487.79</b>	<b>218.70</b>	<b>3.45</b>
b) Non Current Investments		0.00	0.00	0.00	0.00
c) Long term Loans and Advances	I.8	385.39	462.45	498.32	214.10
d) Other Non Current Assets	I.9	21.00	21.00	0.00	0.00
e) Deferred Tax Assets	I.10	26.97	27.03	30.25	15.67
<b>Total Non Current Assets</b>		<b>945.21</b>	<b>998.27</b>	<b>747.27</b>	<b>233.22</b>
<b>Current assets</b>					
Current Investments		0.00	0.00	0.00	0.00
Inventories		0.00	0.00	0.00	0.00
Trade Receivables	I.11	1,697.60	855.32	713.97	655.53
Cash and bank balances	I.12	258.35	152.94	259.53	657.01
Short Term Loans and advances	I.13	81.38	11.02	14.11	21.27
Other Current Assets	I.14	717.89	383.10	5.13	6.35
<b>Total Current Assets</b>		<b>2,755.22</b>	<b>1,402.38</b>	<b>992.74</b>	<b>1,340.16</b>

Particulars	Note No.	31.12.24	31.03.24	31.03.23	31.03.22
<b>Total Assets</b>		<b>3,700.43</b>	<b>2,400.65</b>	<b>1,740.01</b>	<b>1,573.38</b>

**RESTATED STATEMENT OF PROFIT & LOSS**

(₹ in Lakhs)

Particulars	Note No.	31.12.24	31.03.24	31.03.23	31.03.22
<b>Income</b>					
Revenue from Operations	II.1	4477.22	5,485.37	3,991.46	3,171.89
Other Income	II.2	22.97	51.60	28.53	26.49
<b>Total Revenue</b>		<b>4,500.19</b>	<b>5,536.97</b>	<b>4,019.99</b>	<b>3,198.38</b>
<b>Expenditure</b>					
Cost of Services rendered	II.3	3111.95	3,697.23	3,001.31	2,369.23
Employee Benefit Expenses	II.4	405.67	431.05	510.44	358.21
Other Expenses	II.5	118.22	201.86	369.93	386.22
<b>Total (B)</b>		<b>3,635.84</b>	<b>4,330.14</b>	<b>3,881.68</b>	<b>3,113.66</b>
<b>Profit Before Interest, Depreciation and Tax</b>		<b>864.35</b>	<b>1,206.83</b>	<b>138.31</b>	<b>84.72</b>
Depreciation and Amortisation Expenses		7.82	15.88	0.83	0.98
<b>Profit Before Interest and Tax</b>		<b>856.53</b>	<b>1,190.95</b>	<b>137.48</b>	<b>83.74</b>
Financial Charges		0.00	0.00	0.00	0.00
<b>Profit before Taxation</b>		<b>856.53</b>	<b>1,190.95</b>	<b>137.48</b>	<b>83.74</b>
Provision for Taxation		214.13	335.11	25.92	26.29
Provision for Deferred Tax		0.07	3.22	-14.58	-14.33
Prior period Tax adjustments done in respective years		0.00	0.00	-1.70	5.34
<b>Total Taxes</b>		<b>214.20</b>	<b>338.33</b>	<b>9.64</b>	<b>17.30</b>
<b>Profit After Tax but Before Extra ordinary Items</b>		<b>642.33</b>	<b>852.62</b>	<b>127.84</b>	<b>66.44</b>
Extraordinary Exps. / (Income)		0.00	0.00	0.00	0.00
Prior Period Items		0.00	0.00	0.00	0.00
<b>Net Profit after adjustments</b>		<b>642.33</b>	<b>852.62</b>	<b>127.84</b>	<b>66.44</b>
<b>Net Profit Transferred to Balance Sheet</b>		<b>642.33</b>	<b>852.62</b>	<b>127.84</b>	<b>66.44</b>

**RESTATED STATEMENT OF CASH FLOWS**

(₹ in Lakhs)

PARTICULARS	31.12.24	31.03.24	31.03.23	31.03.22
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Profit Before Tax	<b>856.53</b>	<b>1190.95</b>	<b>137.48</b>	<b>83.74</b>
<i>Adjusted for :</i>				
a. Depreciation and amortization expenses	7.82	15.88	0.83	0.98
b. Provision for doubtful receivables / (written back)	4.78	2.78	13.96	16.24
c. Bad debts written off	0.00	30.17	13.26	0.67
d. Loss on sale of property, plant and equipment	0.00	1.16	0.00	0.00
e. Sundry balances written back	0.00	(5.14)	(7.58)	(0.28)
f. Interest income on deposits	(22.97)	(12.45)	(19.94)	(23.47)
g. Other adjustments	0.00	0.00	0.00	0.26
<b>Operating profit before working capital changes</b>	<b>846.16</b>	<b>1223.35</b>	<b>138.01</b>	<b>78.14</b>

PARTICULARS	31.12.24	31.03.24	31.03.23	31.03.22
<i>Adjusted for :</i>				
a. Increase / (decrease) in trade payables	619.73	34.21	138.14	223.65
b. Increase / (decrease) in provisions	5.92	16.16	2.63	7.15
c. Increase / (decrease) in other current liabilities	40.25	(245.26)	(89.47)	458.38
d. ( Increase ) / Decrease in trade receivables	(847.07)	(174.30)	(85.66)	(340.58)
e. ( Increase ) / Decrease in short term loans and advances	(70.35)	3.08	7.16	(17.57)
f. ( Increase ) / Decrease in Other Current Assets	(316.49)	(378.51)	(0.94)	(3.00)
g. ( Increase ) / Decrease in Other Non-Current Assets	0.00	(21.00)	0.00	3.58
<b>Cash generated from operations</b>	<b>278.15</b>	<b>457.73</b>	<b>109.87</b>	<b>409.75</b>
Income Tax (Paid) / Received (net)	(409.78)	(26.95)	(313.35)	(218.31)
<b>Net cash generated from/(used in) operating activities (A)</b>	<b>(131.63)</b>	<b>430.78</b>	<b>(203.48)</b>	<b>191.44</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
a. Purchase of property, plant and equipment and cost incurred towards assets under development	(40.34)	(278.02)	(216.09)	(0.50)
b. Proceeds from disposal of property, plant and equipment	0.00	0.36	0.00	0.00
c. (Increase)/decrease in long term loans and advances to related parties	272.71	(272.71)	0.00	0.00
d. Interest received from deposits with banks	4.67	13.00	22.09	24.08
<b>Net cash generated from/(used in) investing activities (B)</b>	<b>237.04</b>	<b>(537.37)</b>	<b>(194.00)</b>	<b>23.58</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
a. Interest & Finance Cost	0.00	0.00	0.00	0.00
b. Proceeds from share issued	0.00	0.00	0.00	0.00
c. ( Repayments ) / proceeds of long term borrowings	0.00	0.00	0.00	0.00
d. ( Repayments ) / proceeds of short term borrowings	0.00	0.00	0.00	0.00
<b>Net cash generated/(used) in financing activities (C )</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Net Increase / ( Decrease ) in cash and bank balances (A + B + C)</b>	<b>105.41</b>	<b>(106.59)</b>	<b>(397.48)</b>	<b>215.02</b>
<b>Cash and bank balances at the beginning of the year</b>	<b>152.94</b>	<b>259.53</b>	<b>657.01</b>	<b>441.99</b>
<b>Cash and bank balances at the end of the year</b>	<b>258.35</b>	<b>152.94</b>	<b>259.53</b>	<b>657.01</b>

**Notes:**

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, financing and investing activities of the company are segregated.

The figures in brackets indicate outflows of cash and bank balances.



## GENERAL INFORMATION

Our Company was incorporated as Chatterbox Technologies Private Limited on March 03, 2016 under the Companies Act, 2013 with the Registrar of Companies, Maharashtra at Mumbai. The status of the Company was changed to public limited and the name of our Company was changed to Chatterbox Technologies Limited vide Special Resolution dated October 28, 2024 pursuant to conversion of the Company into public limited Company. The fresh certificate of incorporation consequent to conversion was issued on December 04, 2024 by the Registrar of Companies, Central Processing Centre.

<b>Company Identification Number</b>	U93000MH2016PLC273833
<b>Address of Registered office of Company</b>	Unit No. 101 VIP Plaza Cooperative Premises Society Ltd, Andheri New Link Road, Opp Infinity Mall Behind Crystal Plaza, Andheri, Mumbai - 400053, Maharashtra, India.
<b>Address of Registrar of Companies</b>	<b>Address:</b> Everest, 100, Marine Drive, Mumbai – 400002 <b>Tel No:</b> + 91 22 22812627/22020295/22846954 <b>Fax No:</b> +91 22 22811977
<b>Designated Stock Exchange</b>	BSE Limited
<b>Listing of Shares offered in this Offer</b>	SME Platform of BSE
<b>Contact Person:</b>	<b>Prachi Parag Kela, Company Secretary and Compliance Officer</b> Unit No. 101 VIP Plaza Cooperative Premises Society Ltd, Andheri New Link Road, Opp Infinity Mall Behind Crystal Plaza, Andheri, Mumbai - 400053, Maharashtra, India. Tel: +91 22 4451 4288 E-mail: cs@chtrbox.com Website: www.chtrbox.com

For details of the changes in our Name, Registered Office and other details, please refer “*History and Certain Other Corporate Matters*” on page 132.

### Our Board of Directors

Details regarding our Board of Directors as on the date of this DRHP are set forth in the table hereunder:

Sr. No.	Name and Designation	DIN	Address
1.	<b>Curt Marvis</b> <i>Non-Executive Chairman</i>	08231593	1529, S Beverly, Drive Unit 5, Los Angeles, California – 90035, USA
2.	<b>Rajnandan Mishra</b> <i>Managing Director</i>	10815241	House no. C802, Emaar Palm Drive, Sector 66, South City – II, PO: Gurgaon South City II, Dist. Gurgaon, Haryana, 122018
3.	<b>Kevin Richard Williams</b> <i>Non-Executive Director</i>	10145140	348, Mountain View DR, Milton, L9T 1V9, Ontario, Canada
4.	<b>Ratnakar Venkappa Rai</b> <i>Non-Executive &amp; Independent Director</i>	00126309	G2/503, Sphene, Moraj Residency, Kasturi Co-op Housing Society, Palm Beach Road, New Mumbai, Sanpada – 400705, Thane, Maharashtra, India
5.	<b>Sangita Bhamesh Kamble</b> <i>Non-Executive &amp; Independent Director</i>	10130251	R1 – 1408, Aurum Q Residencies, Plot No. Gen-4/1, TTC Industrial Area, Navi Mumbai – 400710, Thane, Maharashtra, India
6.	<b>Pratik Prakash Shah</b> <i>Non-Executive &amp; Independent Director</i>	10848091	Flat 16, Hansoti Apartment C H S L, Hansoti Lane, Opp. New SNTD School, Cama Lane, Ghatkopar West, Mumbai – 400086, Maharashtra.

For detailed profile of our Managing Director and other Directors, please refer “*Our Management*” and “*Our Promoters and Promoter Group*” on page 137 and 150 respectively.

### Company Secretary and Compliance Officer

Our Company has appointed Prachi Parag Kela, the Company Secretary of our Company, as the Compliance Officer, whose contact details are set forth hereunder.

**Prachi Parag Kela**

Unit No. 101 VIP Plaza Cooperative Premises Society Ltd,  
Andheri New Link Road, Opp Infinity Mall Behind Crystal Plaza,  
Andheri, Mumbai - 400053, Maharashtra, India.  
Tel: +91 22 4451 4288  
E-mail: cs@chtrbox.com  
Website: www.chtrbox.com

**Chief Financial Officer**

Our Company has appointed Pooja Dhaval Mehta, as the Chief Financial Officer whose contact details are set forth hereunder:

**Pooja Dhaval Mehta**

Unit No. 101 VIP Plaza Cooperative Premises Society Ltd,  
Andheri New Link Road, Opp Infinity Mall Behind Crystal Plaza,  
Andheri, Mumbai - 400053, Maharashtra, India.  
Tel: +91 22 4451 4288  
E-mail: pooja.m@chtrbox.com  
Website: www.chtrbox.com

**Investor Grievances**

Applicants can contact the Compliance Officer, the BRLM or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems, such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders and non-receipt of funds by electronic mode etc. All complaints, queries or comments received by Stock Exchange / SEBI shall be forwarded to the BRLM, who shall respond to the same.

Applicants may contact the BRLM for complaints, information or clarifications pertaining to the Issue.

All grievances may be addressed to the Registrar to the Issue with a copy to the relevant Designated Intermediary with whom the ASBA Form was submitted. The Applicant should give full details such as name of the sole or first Applicant, ASBA Form number, Applicant DP ID, Client ID, PAN, date of the ASBA Form, address of the Applicant, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the ASBA Form was submitted by the Applicant.

Further, the investor shall also enclose the Acknowledgment Slip from the Designated Intermediaries in addition to the documents/information mentioned hereinabove.

**Details of Key Intermediaries pertaining to this Offer of our Company:**

<b>Book Running Lead Manager of the Offer *</b>	<b>Registrar to the Offer</b>
<b>EXPERT GLOBAL CONSULTANTS PRIVATE LIMITED</b> 1511, RG Trade Tower Netaji Subhash Place, Pitampura, New Delhi – 110 034, India <b>Telephone:</b> 011 4509 8234 <b>Email:</b> ipo@expertglobal.in <b>Website:</b> www.expertglobal.in <b>Investor grievance email:</b> compliance@expertglobal.in <b>Contact Person:</b> Mr. Gaurav Jain <b>SEBI registration number:</b> INM000012874 <b>CIN:</b> U74110DL2010PTC205995	<b>BIGSHARE SERVICES PRIVATE LIMITED</b> S6-2, 6 <sup>th</sup> Floor, Pinnacle Business Park, Mahakali Caves Road, Next to Ahura Centre, Andheri East, Mumbai - 400 093, Maharashtra, India <b>Tel. No.:</b> +91 22 6263 8200 <b>Email:</b> ipo@bigshareonline.com <b>Website:</b> www.bigshareonline.com <b>Investor Grievance Email:</b> investor@bigshareonline.com <b>SEBI Registration No.:</b> INR000001385 <b>Contact Person:</b> Babu Rapheal C.

\*We confirm that there are no findings/observations of any of the inspections by SEBI or any other regulator which are material and which needs to be disclosed or non disclosure of which may have bearing on the investment decision, other than the ones which have already disclosed in the offer document.

<b>Banker to the Company</b>	<b>Legal Advisor to the Offer</b>
<b>KOTAK MAHINDRA BANK LIMITED</b> Building No. 1, Unit No. 002/102, Raheja Classique Complex,	<b>TMT LAW PRACTICE</b> C-2/34, Safdarjung Development Area, New Delhi – 110016

Link Road, Andheri (West),  
Mumbai - 400053  
Maharashtra, India  
**Tel:** 1860 266 2666  
**Email:** ashish.agrawal1@kotak.com  
**Contact Person:** Ashish Agrawal  
**Website:** [www.kotak.com](http://www.kotak.com)

**Tel:** +91 99887 88453  
**Email:** alaqshendra.singh@tmtlaw.co.in  
**Contact Person:** Alaqshendra Singh

#### Statutory Auditor of the Company and Peer Review Auditor

#### Escrow and sponsor Banker to the Offer

**M/s. JOY MUKHERJEE AND ASSOCIATES,**  
**CHARTERED ACCOUNTANTS**  
104, Ravindra Garden, Sector E,  
Aliganj, Lucknow, Uttar Pradesh -226024  
Mob: +91 522 4003491  
Email: joymukherjee.ca@gmail.com  
**Contact Person:** CA Joy Mukherjee  
**Membership No.:** 074602  
**Firm Registration No.:** 006792C  
**Peer Review No:** 015511 (valid till June 30, 2026)

[•]

#### Changes in Auditors for last three years

There have been no changes in the statutory auditors of our Company during the three years immediately preceding the date of this Draft Red Herring Prospectus except as set out below:

Name of the Auditor	Date of Appointment	Date of Cessation	Reason for resignation
<b>M/s. Kalyaniwalla and Mistry LLP,</b> Chartered Accountants Esplanade House, 29, Hazarimal Somani Marg, Fort, Mumbai – 400 001. Tel: +91 22 6158 6200 / 7200 Email: auditors@kmlp.in <b>Contact Person:</b> CA Sai Venkata Ramana Damarla <b>Membership No.:</b> 107017 <b>Firm Registration No.:</b> 104607W / W100166	September 29, 2022	August 02, 2024	Resigned due to strategic makeover by the management
<b>M/s. Joy Mukherjee and Associates,</b> Chartered Accountants 104, Ravindra Garden, Sector E, Aliganj, Lucknow, Uttar Pradesh -226024 Tel: +91 522 4003491 Email: joymukherjee.ca@gmail.com <b>Contact Person:</b> CA Joy Mukherjee <b>Membership No.:</b> 074602 <b>Firm Registration No.:</b> 006792C	August 06, 2024	September 30, 2024	Appointed to fill the casual vacancy till conclusion of ensuing AGM
<b>M/s. Joy Mukherjee and Associates,</b> Chartered Accountants 104, Ravindra Garden, Sector E, Aliganj, Lucknow, Uttar Pradesh -226024 Tel: +91 522 4003491 Email: joymukherjee.ca@gmail.com <b>Contact Person:</b> CA Joy Mukherjee <b>Membership No.:</b> 074602 <b>Firm Registration No.:</b> 006792C	September 30, 2024	N.A.	N.A.

Currently, M/S Joy Mukherjee & Associates is holding the office for a term of 5 years till the conclusion of AGM of the Company to be held in FY 2029, the said tenure was approved by the shareholders at the Annual General Meeting held on September 30, 2024.

#### DESIGNATED INTERMEDIARIES

**Self-Certified Syndicate Banks and SCSBs enabled for UPI Mechanism**

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>.

Applications through the UPI Mechanism in the Offer can be made only through the SCSBs mobile applications (apps) whose name appears on the SEBI website. A list of SCSBs and mobile application, which are live for applying in public issues using UPI Mechanism is provided as Annexure ‘A’ to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019. The list is available on the website of SEBI at [www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43](http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43) and updated from time to time and at such other websites as may be prescribed by SEBI from time to time

**Syndicate SCSB Branches**

In relation to Bids (other than Bids by Anchor Investors) submitted under the ASBA process to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Bid cum Application Forms from the Members of the Syndicate is available on the website of the SEBI ([www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes&intmId=35](http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes&intmId=35)) and updated from time to time or any such other website as may be prescribed by SEBI from time to time. For more information on such branches collecting Bid cum Application Forms from the Syndicate at Specified Locations, see the website of the SEBI at [www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes&intmId=35](http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes&intmId=35), as updated from time to time.

**Registered Brokers**

The list of the Registered Brokers eligible to accept ASBA forms, including details such as postal address, telephone number and e-mail address, is provided on the website of SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)) at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>, respectively, as updated from time to time.

**Registrar and Share Transfer Agent**

The list of the RTAs eligible to accept ASBA Forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, is provided on the website of SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)) at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>, respectively, as updated from time to time.

**Collecting Depository Participants**

The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as name and contact details, is provided on the website of SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)) at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>, as updated from time to time.

**Credit Rating**

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

**IPO Grading**

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

**Statement of Responsibility of the Book Running Lead Manager/Statement of inter se allocation of responsibilities**

Since Expert Global Consultants Private Limited is the sole Book Running Lead Manager to this Offer, a statement of *inter se* allocation of responsibilities amongst Book Running Lead Manager is not required.

**Expert Opinion**

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

Our Company has received written consent dated February 19, 2025 from the Statutory Auditor namely, M/s. Joy Mukherjee & Associates, Chartered Accountants to include their name as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this DRHP and as “expert” as defined under section 2(38) of the Companies Act, 2013 in respect of the reports of the Peer Reviewed Auditor on the Restated Financial Statements, dated February 04, 2025 and such consent has not been withdrawn as on the date of this DRHP.

Our Company has received written consent from our Statutory Auditor namely, M/s. Joy Mukherjee & Associates, Chartered Accountants to include its name as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this DRHP and the statement of tax benefits dated February 19, 2025 included in this DRHP and such consent has not been withdrawn as on the date of this DRHP.

### **Debenture Trustees**

This is an Offer of equity shares; hence appointment of debenture trustee is not required.

### **Appraisal and Monitoring Agency**

The objects of the Offer have not been appraised by any agency.

The Objects of the Offer and means of finance, therefore, are based on internal estimates of our Company. In terms of Regulation 41 of the SEBI (ICDR) Regulations, we are not required to appoint a monitoring agency since the Offer size is not in excess of ₹10,000 lakhs.

### **Filing of the Offer Document**

The DRHP shall not be filed with SEBI, nor shall SEBI issue any observation on the Offer Document in terms of Regulation 246(2) of SEBI (ICDR), 2018. However, pursuant to Regulation 246(5), the soft copy of DRHP will be submitted to SEBI. Pursuant to SEBI Circular Number SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, a copy of the DRHP and Prospectus will be filed online through SEBI Intermediary Portal at <https://siportal.sebi.gov.in>.

Further, pursuant to SEBI Circular Number CFD/DIL1/CIR/P/2019/0000000154 dated December 11, 2019, a copy of the DRHP and Prospectus along with the with due diligence certificate including additional confirmations required to be filed under Section 26 of the Companies Act, 2013 will be filed with SEBI.

A copy of the DRHP, along with the material contracts and documents referred elsewhere in the DRHP, will be delivered to the RoC Office situated at Everest, 100, Marine Drive, Mumbai – 400002, Maharashtra, India.

### **Book Building Process**

Book Building, with reference to the Issue, refers to the process of collection of Bids on the basis of the Red Herring Prospectus within the Price Band. The Price Band shall be determined by our Company in consultation with the Book Running Lead Manager in accordance with the Book Building Process, and advertised in all editions of the English national newspaper [●], all editions of Hindi national newspaper [●] and Marathi Edition of Regional newspaper [●] where our registered office is situated at least two working days prior to the Bid/ Issue Opening date. The Issue Price shall be determined by our Company, in consultation with the Book Running Lead Manager in accordance with the Book Building Process after the Bid/ Issue Closing Date. Principal parties involved in the Book Building Process are: -

- Our Company;
- The Book Running Lead Manager in this case being Expert Global Consultants Private Limited;
- The Syndicate Member(s) who are intermediaries registered with SEBI/ registered as brokers with BSE Ltd. and eligible to act as Underwriters.
- The Syndicate Member(s) will be appointed by the Book Running Lead Manager;
- The Registrar to the Issue and;
- The Designated Intermediaries and Sponsor bank.

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

The Issue is being made through the Book Building Process wherein not more than 50% of the Net Issue shall be available for allocation on a proportionate basis to QIBs, provided that our Company may in consultation with the BRLM allocate upto 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI (ICDR) Regulations (the “**Anchor Investor Portion**”), out of which one third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Issue Price. 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Issue shall be available for allocation to Retail Individual Bidders, in accordance with the SEBI Regulations, subject to valid Bids being received at or above the Issue Price. All potential Bidders may participate in the Issue through an ASBA process by providing details of their respective bank account which will be blocked by the SCSBs. All Bidders are mandatorily required to utilize the ASBA

process to participate in the Issue. Under-subscription if any, in any category, except in the QIB Category, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company in consultation with the BRLM and the Designated Stock Exchange.

**All Bidders, except Anchor Investors, are mandatorily required to use the ASBA process for participating in the Issue. In accordance with the SEBI ICDR Regulations, QIBs bidding in the QIB Portion and Non-Institutional Bidders bidding in the Non-Institutional Portion are not allowed to withdraw or lower the size of their Bids (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders can revise their Bids during the Bid/Issue Period and withdraw their Bids until the Bid/Issue Closing Date. Further, Anchor Investors cannot withdraw their Bids after the Anchor Investor Bid/Issue Period. Allocation to the Anchor Investors will be on a discretionary basis.**

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

In terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors (except Anchor Investors) applying in a public issue shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self Certified Syndicate Banks (SCSBs) for the same. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, Retail Individual Investors applying in public issue may use either Application Supported by Blocked Amount (ASBA) facility for making application or also can use UPI as a payment mechanism with Application Supported by Blocked Amount for making application. For details in this regards, specific attention are invited to the chapter titled **“Issue Procedure”** beginning on page 241 of the Draft Red Herring Prospectus.

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

For further details on the method and procedure for Bidding, please see section entitled **“Issue Procedure”** on page 241 of this Draft Red Herring Prospectus.

#### **Illustration of the Book Building and Price Discovery Process:**

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

<b>Bid Quantity</b>	<b>Bid Amount (₹)</b>	<b>Cumulative Quantity</b>	<b>Subscription</b>
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

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

#### **Steps to be taken by the Bidders for Bidding:**

Check eligibility for making a Bid (see section titled **“Issue Procedure”** on page 241 of this Draft Red Herring Prospectus;

Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid cum Application Form; Ensure correctness of your PAN, DP ID and Client ID mentioned in the Bid cum Application Form. Based on these parameters, the Registrar to the Issue will obtain the Demographic Details of the Bidders from the Depositories.

Except for Bids on behalf of the Central or State Government officials, residents of Sikkim and the officials appointed by the courts, who may be exempt from specifying their PAN for transacting in the securities market, for Bids of all values ensure that you have mentioned your PAN allotted under the Income Tax Act in the Bid cum Application Form. The exemption for Central or State Governments and officials appointed by the courts and for investors residing in Sikkim is subject to the Depository Participant's verification of the veracity of such claims of the investors by collecting sufficient documentary evidence in support of their claims.

Ensure that the Bid cum Application Form is duly completed as per instructions given in this Draft Red Herring Prospectus and in the Bid cum Application Form;

## WITHDRAWAL OF THE ISSUE

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

If our Company withdraws the Issue any time after the Bid/ 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 Bid/ 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 BRLM, 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.

If our Company withdraws the Issue after the Bid/ Issue Closing Date and subsequently decides to proceed with an Issue of the Equity Shares, our Company will file a fresh Draft Red Herring 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 with respect to the Equity Shares Issued through the Prospectus, which our Company will apply for only after Allotment; and (ii) the registration of Prospectus with the RoC.

## Underwriting Agreement

The Company and the Book Running Lead Manager to the Issue hereby confirm that the Issue will be 100% Underwritten by the underwriter [●].

Pursuant to the terms of the Underwriting Agreement dated [●] entered into by Company, Underwriter, the obligations of the Underwriter are subject to certain conditions specified therein. The Details of the Underwriting commitments are as under:

*(This portion has been intentionally left blank and will be filled in before the Red Herring Prospectus or the prospectus, as applicable is filed with RoC).*

Details of the Underwriter	Number of Equity Shares to be Underwritten	Amount Underwritten (₹ in Lakhs)	% of the total Issue size Underwritten
[●]	[●]	[●]	[●]

*\*Includes [●] Equity Shares of the Market Maker Reservation Portion which are to be subscribed by the Market Maker, [●] in its own account in order to claim compliance with the requirements of Regulation 261 of the SEBI (ICDR) Regulations, 2018, as amended.*

*The above-mentioned is indicative underwriting and will be finalised after determination of Issue Price and Basis of Allotment and subject to the provisions of the SEBI ICDR Regulations.*

In the opinion of the Board of Directors of our company, the resources of the above-mentioned Underwriter are sufficient to enable them to discharge their respective underwriting obligations in full. The above-mentioned Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as broker with the Stock Exchange.

The Board, at its meeting held on [●], has accepted and entered into the Underwriting Agreement mentioned above on behalf of our Company. Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitment. As per Regulation 260(2) of SEBI (ICDR) Regulations, 2018, the Book Running Lead Manager has agreed to underwrite to a minimum extent of 15% of the Issue out of its own account.

**Details of the Market Making Arrangement for this Offer**

Our Company and the BRLM has entered into a Market Making Agreement dated [●] with the following Market Maker, to fulfil the Market Making obligations under this Issue:

<b>Name</b>	[●]
<b>Correspondence Address</b>	
<b>Tel No.</b>	
<b>E-mail</b>	
<b>Website</b>	
<b>Contact Person</b>	
<b>SEBI Registration No.</b>	
<b>Market Maker Registration No.</b>	

*(This portion has been intentionally left blank and will be filled in before the Red Herring Prospectus or the prospectus, as applicable is filed with RoC)*

In accordance with Regulation 261 of the SEBI ICDR Regulations, we have entered into an agreement with the Book Running Lead Manager and the Market Maker (duly registered with [●] 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.

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

- 1) The Market Maker shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the Stock Exchange. Further, the Market Maker 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 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 they sell their entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.
- 3) 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%. (Including the 5% of Equity Shares of the Offer.) Any Equity Shares allotted to Market Maker under this Offer over and above 5% of Offer Size would not be taken in to consideration of computing the threshold of 25%. As soon as the Shares of market maker in our Company reduce to 24%, the market maker will resume providing 2-way quotes.
- 4) 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.
- 5) Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker, for the quotes given by him.
- 6) There would not be more than five Market Makers for a script at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors.
- 7) On the day of 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 listing on the discovered price during the pre-open call auction.
- 8) There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily/fully from the market – for instance due to system problems, any other problems. All controllable reasons require prior approval from the Exchange, while *force-majeure* will be applicable for non-controllable reasons. The decision of the Exchange for deciding controllable and non-controllable reasons would be final.
- 9) The Market Maker shall have the right to terminate said arrangement by giving a six-month notice or on mutually acceptable terms to the Merchant Banker, 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 Book Running Lead Manager to arrange for another Market



Maker in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of regulation 261 of the SEBI (ICDR) Regulations, 2018. Further the Company and the Book Running Lead Manager reserve the right to appoint other Market Maker either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed five or as specified by the relevant laws and regulations applicable at that particular point of time. The Market Making Agreement is available for inspection at our Registered Office from 11.00 a.m. to 5.00 p.m. on working days.

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

- 12) **Price Band and Spreads:** SEBI Circular bearing reference no: CIR/MRD/DP/ 02/2012 dated January 20, 2012, has laid down that for Offer 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.

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

- 13) Pursuant to SEBI Circular number CIR/MRD/DSA/31/2012 dated November 27, 2012, limits on the upper side for market maker(s) during market making process has been made applicable, based on the Offer size, and as follows:

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

**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.**

## CAPITAL STRUCTURE

The Equity Share capital of our Company, as on the date of this Draft Red Herring Prospectus and after giving effect to the Offer is set forth below:

No.	Particulars	Amount (₹ in lakhs)	
		Aggregate nominal value	Aggregate value at Issue Price
<b>A.</b>	<b>Authorised Share Capital</b>		
	1,60,00,000 Equity Shares of face value of ₹10 each	1,600.00	-
<b>B.</b>	<b>Issued, Subscribed and Paid-Up Share Capital before the Offer</b>		
	1,04,16,600 Equity Shares of face value of ₹10.00 each	1,041.66	-
<b>C.</b>	<b>Present Offer in terms of this Draft Red Herring Prospectus</b>		
	<i>Consisting of:</i>		
	Fresh Issue of 37,27,200 Equity Shares for cash at a price of ₹ [●] per Equity Share	372.72	[●]
	<i>Which comprises:</i>		
	[●] Equity Shares of ₹10.00 each at a price of ₹ [●] per Equity Share reserved as Market Maker portion	[●]	[●]
	Net Offer to the Public of [●] Equity Shares of ₹10.00 each at a price of ₹ [●] per Equity Share	[●]	[●]
	<i>Of which:</i>		
	<b>Not More than</b> [●] Equity Shares of ₹10.00 each at a price of ₹ [●] per Equity Share will be available for allocation to Qualified Institutional Buyers	[●]	[●]
	<b>Atleast</b> [●] Equity Shares of ₹10.00 each at a price of ₹ [●] per Equity Share will be available for allocation to Retail Individual Investors upto ₹2,00,000/-	[●]	[●]
	<b>Atleast</b> [●] Equity Shares of ₹10.00 each at a price of ₹ [●] per Equity Share will be available for allocation to Other than Retail Individual Investors above ₹2,00,000/-	[●]	[●]
<b>D.</b>	<b>Issued, Subscribed and Paid-up Share Capital after the Offer</b>		
	1,41,43,800 Equity Shares of ₹10.00 each	1,414.38	-
<b>E.</b>	<b>Securities Premium Account</b>		
	Before the Offer		Nil
	After the Offer		[●]

*The Offer has been authorised by our Board pursuant to a resolution dated January 21, 2025, and by our Equity Shareholders pursuant to a resolution passed at the extraordinary general meeting held on February 05, 2025.*

### Class of Shares

The company has only one class of shares i.e. Equity shares of ₹ 10/- each only and all Equity Shares are ranked pari-passu in all respects.

All Equity Shares issued are fully paid-up as on date of the Draft Red Herring Prospectus. Our Company has not issued any partly paid-up equity shares since its incorporation nor it does have any partly paid-up equity shares as on the date of the Draft Red Herring Prospectus.

Our Company does not have any outstanding convertible instruments as on the date of the Draft Red Herring Prospectus.

## Notes to the Capital Structure

### 1. Details of changes in authorised Share Capital:

The authorised share capital of our Company has been altered in the manner set forth below:

Particulars of Change		Date of Members Meeting	AGM/EGM
From	To		
₹10,00,000 consisting of 1,00,000 Equity shares of ₹10.00 each.		On incorporation	-
₹10,00,000 consisting of 1,00,000 Equity shares of ₹10.00 each.	₹20,00,000 consisting of 2,00,000 Equity shares of ₹10.00 each.	March 15, 2016	EGM
₹20,00,000 consisting of 2,00,000 Equity shares of ₹10.00 each.	₹16,00,00,000 consisting of 1,60,00,000 Equity shares of ₹10.00 each.	November 22, 2024	EGM

### 2. History of Issued and Paid-Up Share Capital of our Company

The history of the equity share capital of our Company is set forth below:

Date of Allotment	No. of Equity Shares	Face Value (₹)	Issue Price (₹)	Nature / Reason of Allotment	Nature of Consideration	Cumulative No. of Equity Shares	Cumulative Paid Up Share Capital (₹)	Cumulative Share Premium (₹)
Upon Incorporation	1,00,000	10	10	Subscription to MoA <sup>(1)</sup>	Cash	1,00,000	10,00,000	Nil
March 31, 2016	14,300	10	350	Further Issue – Preferential Allotment <sup>(2)</sup>	Cash	1,14,300	11,43,000	48,62,000
October 26, 2016	14,300	10	350	Further Issue – Preferential Allotment <sup>(3)</sup>	Cash	1,28,600	12,86,000	97,24,000
December 13, 2024	1,02,88,000	10	Nil	Bonus Allotment in the ratio of 80:1 <sup>(4)</sup>	Nil	1,04,16,600	10,41,66,000	Nil

1. Initial allotment of 1,00,000 Equity Shares of Face Value of ₹10.00 each to the subscribers to the MoA of our Company as per details given below:

Sl. No.	Name of Allottees	Number of Shares Allotted
1	Rohit Raj	90,000
2	Varun Duggiraja	10,000
	<b>Total</b>	<b>1,00,000</b>

2. Preferential Allotment of 14,300 Equity Shares of Face Value of ₹10.00 each as per details given below:

Sl. No.	Name of Allottees	Number of Shares Allotted
1	Roshan Abbas Production Pvt. Ltd.	14,300
	<b>Total</b>	<b>14,300</b>

3. Preferential Allotment of 14,300 Equity Shares of Face Value of ₹10.00 each as per details given below:

Sl. No.	Name of Allottees	Number of Shares Allotted
1	Gaurav Kapur	14,300
	<b>Total</b>	<b>14,300</b>

4. Bonus Allotment of 1,02,88,000 Equity Shares of Face Value of ₹10.00 each in the ratio of 80 equity shares for 1 equity share held as on December 12, 2024 as per details given below:

Sl. No.	Name of Allottees	Number of Shares Allotted
1	QYOU Media Inc. (QMI)	74, 22,640
2	QYOU Media India Private Limited (QMIPL)	15,43,200
3	Rajnandan Mishra	10,08,000
4	Virtuous Capital Limited	3,08,640
5	Akhil Mordia	5,120
6	Farrel Arora	80
7	Pooja Dhaval Mehta	80
8	Karan Govind Pherwani	80
9	Darshil Ramnik Shah Karia	80
10	Mrunali Kishore Dedhia	80
<b>TOTAL</b>		<b>1,02,88,000</b>

3. Our company is in compliance with the Companies Act, 2013 with respect to issuance of securities as mentioned in point no. 2 above since inception till the date of filing of this Draft Red Herring Prospectus.
4. **Issue of Equity Shares for Consideration other than Cash.**
- a. Other than the Bonus issue of Equity Shares as mentioned in point no. 2 above, our Company has not allotted any Equity Shares for consideration other than cash, since its incorporation.
5. No Equity Shares have been allotted pursuant to any scheme approved under Sections 391-394 of the Companies Act, 1956 or Section 230-233 of the Companies Act, 2013.
6. We have not issued any equity share (including bonus shares) by capitalizing any revaluation reserves.
7. **Issue of Shares in the preceding two years**

Following Equity Shares were issued by our Company in the preceding two years:

Date of Allotment	No. of Equity Shares	Face Value (₹)	Issue Price (₹)	Nature / Reason of Allotment	Nature of Consideration
December 13, 2024	1,02,88,000	10	Nil	Bonus Issue in the ratio of 80:1	Other than Cash

8. **Issue of Equity Shares in the last one year at a Price lower than the Issue Price:**

Other than as mentioned below, Equity Shares were issued in last one year immediately preceding the date of the Draft Red Herring Prospectus at a price which is lower than the Issue Price.

Date of Allotment	No. of Equity Shares	Face Value (₹)	Issue Price (₹)	Nature / Reason of Allotment	Nature of Consideration
December 13, 2024	1,02,88,000	10	Nil	Bonus Issue in the ratio of 80:1	Other than Cash

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

10. As on the date of the Draft Red Herring Prospectus, our Company does not have any preference share capital.

**11. Build Up of our Promoters' Shareholding, Promoters' Contribution and Lock-In**

As on the date of this Draft Red Herring Prospectus, our Promoters hold 85,41,207 Equity Shares, constituting 82.00% of the pre-issued, subscribed, and paid-up Equity Share capital of our Company.

**a) Build-up of our Promoters' shareholding in our Company**

Date of Allotment / Transfer	Nature of acquisition (Allotment/ Acquired/ transfer)	Number of Equity Shares	Face Value per Equity Share (in `)	Issue Price /Acquisition Price / Transfer price per Equity Share (in `)	Nature of Consideration	Percentage of Pre-Issue Equity Share Capital (%)	Percentage of Post-Issue Equity Share Capital (%)
<b>QYOU Media Inc. (QMI)</b>							
June 21, 2021	Acquisition <sup>(1)</sup>	1,24,744	10	1,321.20*	Cash	1.20	0.88
January 17, 2023	Acquisition <sup>(2)</sup>	1,287	10	23,556.12*	Cash	0.01	0.01
December 03, 2024	Transfer to QMIPL <sup>(3)</sup>	(23,153)	10	3,903.00	Cash	-0.22	-0.16
December 03, 2024	Gift to Rajnandan Mishra <sup>(4)</sup>	(12,600)	10	Nil	Other than Cash	-0.12	-0.09
December 10, 2024	Acquisition <sup>(5)</sup>	142	10	27,126.37*	Cash	0.00	0.00
December 11, 2024	Acquisition <sup>(6)</sup>	2,363	10	27,124.52*	Cash	0.02	0.02
December 13, 2024	Bonus Issue in the ratio of 80:1	74,22,640	10	Nil	Nil	71.26	52.48
December 20, 2024	Acquisition <sup>(7)</sup>	5,184	10	334.89*	Cash	0.05	0.04
February 04, 2025	Gift to Rajnandan Mishra <sup>(8)</sup>	(3,96,900)	10	Nil	Other than Cash	-3.81	-2.81
	<b>Sub Total</b>	<b>71,23,707</b>				<b>68.39</b>	<b>50.37</b>
<b>Rajnandan Mishra</b>							
December 03, 2024	Gift from QMI <sup>(4)</sup>	12,600	10	Nil	Other than Cash	0.12	0.09
December 13, 2024	Bonus Issue in the ratio of 80:1	10,08,000	10	Nil	Nil	9.68	7.13
February 04, 2025	Gift from QMI <sup>(8)</sup>	3,96,900	10	Nil	Other than Cash	3.81	2.81
	<b>Sub Total</b>	<b>14,17,500</b>				<b>13.61</b>	<b>10.02</b>
<b>Grand Total</b>		<b>85,41,207</b>				<b>82.00</b>	<b>60.39</b>

\*1,28,600 Equity Shares (100% of then fully paid-up Equity Shares) acquired by QYOU Media Inc. vide Share Purchase Agreement (SPA) dated May 31, 2021 from Pranay Swarup (68,185 Equity Shares), Rohit Raj (21,450 Equity Shares), Varun Duggirala (7,150 Equity Shares), Akhil Mordia (3,215 Equity Shares), Roshan Abbas Production Pvt. Ltd. (14,300 Equity Shares) and Gaurav Kapur (14,300 Equity Shares) in four tranches as disclosed below at point 1, 2, 5, 6 & 7 as per valuations agreed as per the SPA, as described below:

(i) 124,744 shares to be acquired in the Initial Closing at a price of INR 1,271/- per share as adjusted with (plus/minus) Working Capital Adjustment as per the SPA (effective per share price calculated post working capital adjustment

was INR 1,321.20 per share). **These (Tranche 1) shares are acquired on June 21, 2021.**

- (ii) 1,287 shares to be acquired in First Follow on Closing at a price of 115.50 % of adjusted EBIDTA (as per Clause 4.2 of the SPA) of FY 2022 or fair market value of as at March 31, 2022, whichever is higher. **These (Tranche 2) shares are acquired on January 17, 2023.**
- (iii) 1,285 shares to be acquired in Second Follow on Closing at a price of 107.25 % of adjusted EBIDTA of FY 2023 or fair market value of as at March 31, 2023, whichever is higher.
- (iv) 1,284 shares to be acquired in Third Follow on Closing at a price higher of the following:
- 110.50 % of adjusted EBIDTA of FY 2024 or
  - fair market value of as at March 31, 2024, or
  - INR 10,00,00,000 (Indian Rupees Ten Crores Only) minus the aggregate of the First Follow-On Purchase Price and the Second Follow-On Purchase Price.

**These (Tranche 3 & 4) shares (adjusted for Bonus of Akhil Mordia) are acquired on December 10, 2024, December 11, 2024 and December 20, 2024.**

1. Acquired 66,140 Equity Shares from Pranay Swarup; 20,807 Equity Shares from Rohit Raj; 6,936 Equity Shares from Varun Duggirala; 3,119 Equity Shares from Akhil Mordia; 13,871 Equity Shares from Roshan Abbas Production Pvt. Ltd. and 13,871 Equity Shares from Gaurav Kapur.
2. Acquired 682 Equity Shares from Pranay Swarup; 215 Equity Shares from Rohit Raj; 72 Equity Shares from Varun Duggirala; 32 Equity Shares from Akhil Mordia; 143 Equity Shares from Roshan Abbas Production Pvt. Ltd. and 143 Equity Shares from Gaurav Kapur.
3. Transferred 23,153 Equity Shares by QYOU Media Inc. vide Share Purchase Agreement (SPA) dated December 02, 2024 to QYOU Media India Private Limited, Subsidiary Company of QYOU Media Inc., at fair market value as per Valuation Report dated November 01, 2024 prepared by M/s. Navigant Corporate Advisors Limited, SEBI registered Category I Merchant Banker.
4. Transfer by way of Gift to Rajnandan Mishra vide Gift Deed dated October 10, 2024
5. Acquired 142 Equity Shares from Varun Duggirala.
6. Acquired 1,363 Equity Shares from Pranay Swarup; 428 Equity Shares from Rohit Raj; 286 Equity Shares from Roshan Abbas Production Pvt. Ltd. and 286 Equity Shares from Gaurav Kapur.
7. Acquired 5,184 Equity Shares from Akhil Mordia.
8. Transfer by way of Gift to Rajnandan Mishra vide Gift Deed dated October 10, 2024

Our Promoters have confirmed to the Company and the Book Running Lead Manager that the acquisition of the Equity Shares forming part of the Promoters' Contribution has been financed from personal funds/internal accruals and no financial assistance from any banks or financial institution has been availed by our Promoters for this purpose. All the Equity Shares held by our Promoters were fully paid-up on the respective dates of acquisition of such Equity Shares. As on the date of this Draft Red Herring Prospectus, none of the Equity Shares held by our Promoters are pledged.

#### b) **Details of Promoter's Contribution Locked-in for Three Years**

Pursuant to Regulations 236 and 238 of the SEBI (ICDR) Regulations, an aggregate of atleast 20% of the fully diluted post-Offer Equity Share capital of our Company held by our Promoters shall be provided towards minimum promoters' contribution and locked-in for a period of three years from the date of Allotment ("**Minimum Promoters' Contribution**"). Details of the Equity Shares (eligible for inclusion in the Minimum Promoters' Contribution, in terms of Regulation 33 of the SEBI (ICDR) Regulations) forming part of Minimum Promoters' Contribution and proposed to be locked-in for a period of three years are as follows:

Date of Allotment / Transfer	Nature of acquisition (Allotment/ Acquired/ transfer)	Number of Equity Shares	Face Value per Equity Share (in `)	Issue Price /Acquisition Price / Transfer price per Equity Share (in `)	Nature of Consideration	Percentage of Pre-Offer Equity Share Capital (%)	Percentage of Post-Offer Equity Share Capital (%)
<b>QYOU Media Inc.</b>							
December 13, 2024	Bonus Issue	30,00,000	10.00	Nil	Other than Cash	28.80	20.16
<b>Total</b>		<b>30,00,000</b>				<b>28.80</b>	<b>20.16</b>

Our Promoters have granted consent to include such number of Equity Shares held by him as may constitute atleast 20% of the post Offer Equity Share capital of our Company as Minimum Promoters; Contribution and have agreed not to sell

or transfer or pledge or otherwise dispose of in any manner, the Minimum Promoters' Contribution from the date of filing of this Draft Red Herring Prospectus until the commencement of the lock-in period specified above, or for such other time as required under SEBI (ICDR) Regulations, except as may be permitted, in accordance with the SEBI (ICDR) Regulations.

In terms of Regulation 237 of the SEBI (ICDR) Regulations, 2018, we confirm that the Minimum Promoters' Contribution of 20% of the Post Offer Capital of our Company as mentioned above does not consist of;

- Equity Shares acquired during the preceding three years for;
  - consideration other than cash and revaluation of assets or capitalization of intangible assets is involved in such transaction;
  - resulting from a bonus issue by utilization of revaluation reserves or unrealized profits of the company or from bonus issue against equity shares which are ineligible for minimum Promoters' contribution;
- The Equity Shares held by the Promoters and offered for Minimum Promoters' contribution which are subject to any pledge with any creditor;
- Equity Shares acquired by Promoters during the preceding one year at a price lower than the price at which equity shares are being offered to public in the Initial Public offer;
- No Equity shares have been issued to our promoters upon conversion of a partnership firm 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 or limited liability partnerships, where the partners of the erstwhile partnership firms or limited liability partnerships are the promoters of the issuer and there is no change in the management are ineligible for Minimum Promoters' Contribution.

*c) Equity Shares locked-in for one year*

In addition to Minimum Promoters' Contribution which shall be locked-in for three years, the balance Equity Shares held by Promoters and Others shall be locked in for a period of one year from the date of allotment in the Initial Public Offer as provided in clause (b) of Regulation 238 of the SEBI (ICDR) Regulations, 2018.

*d) Other requirements in respect of 'lock-in'*

In terms of Regulation 239 of the SEBI (ICDR) Regulations, 2018, the entire pre-Offer capital held by the Persons other than the Promoters shall be locked in for a period of one year from the date of allotment in the Initial Public Issue.

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

In terms of Regulation 242 of the SEBI (ICDR) Regulations, 2018, the Equity Shares held by our Promoters and locked in may be pledged as a collateral security for a loan granted by a scheduled commercial bank or public financial institution or a systemically important non-banking finance company or housing finance company, subject to following;

- In case of Minimum Promoters' Contribution, the loan has been granted to the issuer company or its subsidiary (ies) for the purpose of financing one or more of the Objects of the Offer and pledge of equity shares is one of the terms of sanction of the loan.
- In case of Equity Shares held by Promoters in excess of Minimum Promoters' contribution, the pledge of equity shares is one of the terms of sanction of the loan.

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

**Transferability of Locked in Equity Shares:**

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

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

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

## 12. Our shareholding pattern

Pursuant to Regulation 31 of the SEBI (LODR) Regulations, the holding of specified securities is divided into the following three categories: (a) Promoters and Promoter Group; (b) Public; and (c) Non-Promoter - Non-Public.

Category (I)	Category of shareholder (II)	Nos. of shareholders (III)	No. of fully paid up equity shares held (IV)	No. of Partly paid-up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV) + (V) + (VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (XI)				No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding as a % assuming full conversion of convertible securities (as a % of diluted share capital) As a % of (A+B+C2) (XI) = (VII) + (X)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
								No of Voting Rights			Total as a % of (A+B + C)			No . (a)	As a % of total Share s held (b)	No . (a)	As a % of total Share s held (b)	
								Class : Equity	Class :Preference	Total								
(A)	Promoters & Promoter Group	2	85,41,207	-	-	85,41,207	82.00	85,41,207	-	85,41,207	82.00	-	-	-	-	-	-	85,41,207
(B)	Public	20	18,75,393	-	-	18,75,393	18.00	18,75,393	-	18,75,393	18.00	-	-	-	-	-	-	18,75,393
(C)	Non-Promoter-Non-Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	20	1,04,16,600	-	-	1,04,16,600	100.00	1,04,16,600	-	1,04,16,600	100.00	-	-	-	-	-	-	1,04,16,600

Note: The term “Encumbrance” has the same meaning as assigned under regulation 28(3) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

- Our Company will file the shareholding pattern of our Company in the form prescribed under Regulation 31 of SEBI (LODR) Regulations, one day prior to the listing of the Equity Shares. The shareholding pattern will be uploaded on the website of BSE before commencement of trading of our Equity Shares.
- There are no Equity Shares against which depository receipts have been issued.
- Other than the Equity Shares, there is no other class of securities issued by our Company.
- Except for Pooja Dhaval Mehta, Karan Govind Pherwani, Darshil Ramnik Shah Karia and Mrunali Kishore Dedhia- KMP/ SMP of our company, none of the public shareholders are related either directly or indirectly to our Promoters or Promoter Group Members or our Directors or our KMP or to the Book Running Lead Manager and its associates.



We confirm that none of the members under the ‘public’ category fall within the definition of ‘Promoter’ or ‘Promoter group’ under the SEBI (ICDR) Regulations.

13. The shareholding pattern of our Promoters and Promoter Group before and after the Offer is set forth below:

Sr.	Particulars	Pre-Offer		Post-Offer	
		No. of Shares	% Holding	No. of Shares	% Holding
a)	<b>Promoters</b>				
	QYOU Media Inc.	71,23,707	68.39	71,23,707	50.37
	Rajnandan Mishra	14,17,500	13.61	14,17,500	10.02
	<b>Total</b>	<b>85,41,207</b>	<b>82.00</b>	<b>85,41,207</b>	<b>60.39</b>
b)	<b>Promoter Group</b>				
	NA	NA	NA	NA	NA
	<b>Total</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>
	<b>Grand Total</b>	<b>85,41,207</b>	<b>82.00</b>	<b>85,41,207</b>	<b>60.39</b>

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

Name of the Promoters	No. of Equity Shares held	Average cost of Acquisition (in ₹)
QYOU Media Inc.	71,23,707	24.49
Rajnandan Mishra	14,17,500	Nil

Above cost of acquisition of Promoters is certified by M/s. Joy Mukherjee & Associates, Chartered Accountants, vide their certificate (UDIN 25419374BMOHKJ6940) dated February 19, 2025.

15. Except as disclosed below, none of our directors or Key Managerial Personnel hold Equity Shares in our Company:

Name of the Directors / KMPs	No. of Shares	% Holding
<b><u>Directors</u></b>		
Rajnandan Mishra	14,17,500	13.61
<b><u>Key Managerial Personnel / Senior Management Personnel</u></b>		
Pooja Dhaval Mehta	81	Negligible
Karan Govind Pherwani	81	Negligible
Darshil Ramnik Shah Karia	81	Negligible
Mrunali Kishore Dedhia	81	Negligible

16. **Major shareholders**

The list of our major shareholders and the number of Equity Shares held by them is provided below:

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

Sr. No.	Name of shareholder	No. of Equity Shares	% of Issued Capital
1.	QYOU Media Inc.	71,23,707	68.39%
2.	Rajnandan Mishra	14,17,500	13.61%
3.	Virtuous Capital Limited	5,41,107	5.19 %
4.	Haryana Refractories Private Limited (Beneficial Owner – Manoj Agarwal)	3,50,000	3.36%
5.	Prashant Kumar	2,23,781	2.15%
6.	Manish Kumar	2,00,000	1.92%

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

Sr. No.	Name of shareholder	No. of Equity Shares	% of Issued Capital
1.	QYOU Media Inc.	1,26,031	98.00%

Sr. No.	Name of shareholder	No. of Equity Shares	% of Issued Capital
2.	Pranay Swarup	1,363	1.06%

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

Sr. No.	Name of shareholder	No. of Equity Shares	% of Issued Capital
1.	QYOU Media Inc.	1,26,031	98.00%
2.	Pranay Swarup	1,363	1.06%

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

Sr. No.	Name of shareholder	No. of Equity Shares	% of Issued Capital
1.	QYOU Media Inc.	71,23,707	68.39%
2.	Rajnandan Mishra	14,17,500	13.61%
3.	Virtuous Capital Limited	5,41,107	5.19%
4.	Haryana Refractories Private Limited (Beneficial Owner – Manoj Agarwal)	3,50,000	3.36%
5.	Prashant Kumar	2,23,781	2.15%
6.	Manish Kumar	2,00,000	1.92%
7.	RNR Wealth Management Private Limited (beneficial owner – Utsav Shrivastav)	2,00,000	1.92%

17. There will be no further issue of capital, whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of this Draft Red Herring Prospectus until the Equity Shares have been listed. Further, our Company presently does not have any intention or proposal to alter our capital structure for a period of six months from the date of opening of this Offer, by way of split / consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into exchangeable, directly or indirectly, for our Equity Shares) whether preferential or otherwise, except that if we enter into acquisition(s) or joint venture(s), we may consider additional capital to fund such activities or to use Equity Shares as a currency for acquisition or participation in such joint ventures.
18. Except disclosed below, none of our Promoters, members of our Promoter Group or our Directors or their immediate relatives have sold or purchased Equity Shares during the six months immediately preceding the date of this Draft Red Herring Prospectus:

Date of Allotment / Transfer	Nature of acquisition (Allotment/ Acquired/ transfer)	Number of Equity Shares	Face Value per Equity Share (in ₹)	Issue Price /Acquisition Price / Transfer price per Equity Share (in ₹)	Nature of Consideration
<b>QYOU Media Inc.</b>					
December 03, 2024	Transfer to QMIPL	(23,153)	10	3903.00	Cash
December 03, 2024	Gift to Rajnandan Mishra	(12,600)	10	Nil	Cash
December 10, 2024	Acquisition*	142	10	27,126.37	Cash
December 11, 2024	Acquisition*	2,363	10	27,124.52	Cash
December 20, 2024	Acquisition*	5,184	10	334.89	Cash
February 04, 2024	Gift to Rajnandan Mishra	(3,96,900)	10	Nil	Cash
<b>Rajnandan Mishra</b>					
December 03, 2024	Gift from QYOU Media Inc.	12,600	10	Nil	Gift

Date of Allotment / Transfer	Nature of acquisition (Allotment/ Acquired/ transfer)	Number of Equity Shares	Face Value per Equity Share (in ₹)	Issue Price /Acquisition Price / Transfer price per Equity Share (in ₹)	Nature of Consideration
February 04, 2024	Gift from QYOU Media Inc.	3,96,900	10	Nil	Gift
<b>QYOU Media India Private Limited</b>					
December 03, 2024	Acquired from QYOU Media Inc.	23,153	10	3903.00	Cash
December 03, 2024	Transfer to Virtuous Capital Ltd. (VCL)	(3,858)	10	3903.00	Cash
December 03, 2024	**	(5)	10	3903.00	Cash
December 20, 2024	Transfer to Virtuous Capital Ltd. (VCL)	(6,24,996)	10	48.19	Cash
February 01, 2025	Transfer to Virtuous Capital Ltd. (VCL)	(9,37,494)	10	48.19	Cash

*\*For details of transfers please refer to Note 11*

**\*\*** Transfer of 1 share each to Mrunali Kishore Dedhia, Karan Govind Pherwani, Darshil Ramnik Shah Karia, Pooja Dhaval Mehta and Farrel Arora to make 7 members for conversion of the Company to public limited.

19. There have been no financial arrangements whereby our Promoters, Promoter Group, our Directors and their relatives have financed the purchase by any other person of securities of our Company, during a period of six months preceding the date of this Draft Red Herring Prospectus, other than in the normal course of business of the financing entity.
20. Our Company, our Promoters, our Directors and the Book Running Lead Manager to this Offer have not entered into any buy-back and/or standby or similar arrangements with any person for purchase of our Equity Shares issued by our Company through this Draft Red Herring Prospectus.
21. There are no safety net arrangements for this public Offer.
22. An oversubscription to the extent of 10% of the Net Offer can be retained for the purposes of rounding off to the minimum allotment lot and multiple of one share thereafter, while finalizing the Basis of Allotment. Consequently, the actual allotment may go up by a maximum of 10% of the Net Offer as a result of which, the post-Offer paid up capital after the Offer would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoters and subject to lock- in shall be suitably increased so as to ensure that 20% of the Post Offer paid-up capital is locked in for 3 years.
23. Under-subscription in the net Offer, if any, in any category, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company in consultation with the Book Running Lead Manager and the BSE.
24. As on the date of filing of this Draft Red Herring Prospectus, there are no outstanding warrants, options, or rights to convert debentures, loans, or other financial instruments into our Equity Shares.
25. All the Equity Shares of our Company are fully paid up as on the date of this Draft Red Herring Prospectus. Further, since the entire money in respect of the Offer is being called on application, all the successful applicants will be issued fully paid-up equity shares.
26. As per RBI regulations, OCBs are not allowed to participate in this Offer.
27. Our Company has not raised any bridge loan against the proceeds of this Offer. However, depending on business requirements, we might consider raising bridge financing facilities, pending receipt of the Net Proceeds.
28. Our Company undertakes that at any given time, there shall be only one denomination for our Equity Shares, unless otherwise permitted by law.

29. Our Company shall comply with such accounting and disclosure norms as specified by SEBI from time to time.
30. No payment, direct or indirect in the nature of discount, commission, allowances or otherwise shall be made either by us or our Promoters to the persons who receive allotments, if any, in this Offer.
31. We have 22 (Twenty Two) Shareholders as on the date of this Draft Red Herring Prospectus.
32. Our Promoters and the members of our Promoter Group will not participate in this Offer.
33. Our Promoters and members of our Promoter Group will not receive any proceeds from the Offer.
34. Our Company has not made any public issue since its incorporation.
35. As on the date of this Draft Red Herring Prospectus, the Book Running Lead Manager and their respective associates (determined as per the definition of ‘associate company’ under Section 2(6) of the Companies Act, 2013) do not hold any Equity Shares in our Company. The Book Running Lead Manager and their respective affiliates may engage in transactions with and perform services for our Company in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions with our Company, for which they may in the future receive customary compensation.
36. Our Company shall ensure that transactions in the Equity Shares by the Promoters and the Promoter Group between the date of filing this Draft Red Herring Prospectus and the Offer Closing Date shall be reported to the Stock Exchange within twenty-four hours of such transaction.
37. For the details of transactions by our Company with our Promoter Group, Group Companies please refer to paragraph titled “***Statement of Transactions with Related Parties, as Restated***” in ‘***Financial Statements***’ on page 160.

## OBJECTS OF THE OFFER

The Issue comprises a fresh issue of up to 37,27,200 Equity Shares, aggregating up to ₹ [●] Lakhs by our Company. Our Company proposes to utilize the Net Proceeds from the Fresh Issue towards funding the following objects:

1. Funding Capital requirements for Existing business
2. Funding Capital expenditure for setting up an additional office cum setting up a new studio
3. Funding Capital requirements for Brand Building of our own Company
4. Meeting the incremental working capital requirements of our company
5. General Corporate Purposes

(collectively, the “**Objects**”).

The main object and objects incidental and ancillary to the main objects set out in the Memorandum of Association of our Company enables us to undertake the existing business activities and other activities set out therein; and and (ii) to undertake the activities for which the funds are being raised by us through the Issue. Further, we confirm that the activities which we have been carrying out till date are in accordance with the object clause of our Memorandum of Association. For the main objects clause of our Memorandum of Association, see “*History and Certain Corporate Matters*” on page 132.

In addition to the above- mentioned Objects, our Company expects that listing will enhance our corporate image and visibility of brand name of our Company. We also believe that our Company will receive the benefits from listing of Equity Shares on the SME Platform of BSE. It will also provide liquidity to the existing shareholders and will also create a public trading market for the Equity Shares of our Company.

### Net Proceeds

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

Particulars	Amount (₹ in lakhs)
Gross Proceeds from the Fresh Issue <sup>(1)</sup>	[●]
(Less) Offer Expenses <sup>(2)</sup>	[●]
<b>Net Proceeds of the Fresh Issue (“Net Proceeds”) <sup>(3)</sup></b>	<b>[●]</b>

(1) assuming full subscription and allotment.

(2) See “*Offer Expenses*” on page 83.

(3) To be finalized upon determination of the Issue Price and updated in the Prospectus prior to filing with the RoC.

### Requirement of Funds and Utilisation of Net Proceeds

The Net Proceeds are proposed to be utilized in accordance with the details provided in the following table:

(₹ in lakhs)		
S. No.	Particulars	Amount
1	Funding Capital requirements for Existing business	1107.25
2	Funding Capital expenditure for setting up an additional office cum setting up a new studio	713.74
3	Funding Capital requirements for Brand Building of our own Company	501.50
4	Meeting the incremental working capital requirements of our company	632.88
5	General Corporate Purposes *	[●]
	<b>Total ^</b>	<b>[●]</b>

\*To be finalized upon determination of the Issue Price and will be updated in the Prospectus prior to filing with the RoC. The amount utilized for general corporate purposes shall not exceed 15% of the Gross Proceeds or Rs. 10 crores whichever is lower.

^Assuming full subscription and subject to finalization of basis of allotment.

### Proposed schedule of implementation and deployment of Net Proceeds

The entire amount of Fresh Issue Proceeds will be utilised during FY 2026 and FY 2027.

As per the certificate dated February 19, 2025 (UDIN: 25419374BMOHKC9000) issued by the statutory auditors of the Company, M/s. Joy Mukherjee & Associates, Chartered Accountants, our Company has not incurred any issue related expenses out of internal accruals on the Objects as on January 31, 2025 and the same will be recouped from the Issue proceeds.

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

(₹ in Lakhs)

Sr. No.	Particulars	Amount which will be financed from Net Proceeds	Funds Already deployed till 31-01-2025	Estimated Balance Deployment	
				FY 2026	FY 2027
1	Funding Capital requirements for Existing business	1107.25	-	849.68	257.57
2	Funding Capital expenditure for setting up an additional office cum setting up a new studio	713.74	-	708.68	14.75
3	Funding Capital requirements for Brand Building of our own Company	501.50	-	417.92	83.58
4	Meeting the incremental working capital requirements of our company	632.88	-	632.88	-
5	General Corporate Purposes *	[•]	-	[•]	[•]
	<b>Total ^</b>	[•]	-	[•]	[•]

\*To be finalized upon determination of the Issue Price and will be updated in the Prospectus prior to filing with the RoC. The amount utilized for general corporate purposes shall not exceed 15% of the Gross Proceeds or Rs. 10 crores whichever is lower.

^Assuming full subscription and subject to finalization of basis of allotment.

*Since the entire fund requirement are to be funded from the proceeds of the Fresh Issue, there is no requirement to make firm arrangements of finance under Regulation 230(1)(e) of the SEBI ICDR Regulations through verifiable means towards at least 75% of the stated means of finance, excluding the amounts to be raised through the proposed Issue*

## Means of Finance

The fund requirements, the deployment of funds and the intended use of the Net Proceeds as described herein are based on our current business plan and management estimates and have not been appraised by any bank, financial institution or any other external agency. Given the dynamic nature of our business, we may have to revise our business plan from time to time and consequently our funding requirements and deployment on account of variety of factors such as our financial condition, business and strategy, including external factors such as market conditions, competitive environment, costs of commodities and interest/ exchange rate fluctuations which may not be within the control of our management.

In case of variations in the actual utilisation of funds earmarked for the purpose set forth above or shortfall in the Net Proceeds, increased fund requirement may be financed by our internal accruals and/ or debt, as required. If the actual utilisation towards the said Object is lower than the proposed deployment such balance will be used for general corporate purposes to the extent that the total amount to be utilised towards general corporate purposes will not exceed 15% of the gross proceeds from the Issue or or Rs. 10 crores whichever is lower.

## Details of the Objects of the Fresh Issue

### 1. Funding Capital requirements for Existing business

Chtrbox is an influencer and digital marketing agency in India, connecting brands/ products and social media influencers under our Chtrbox Division and also provide social media management services under our Chtrsosocial Division. For details, please refer to “*Our Services Portfolio*” on page 107 of the DRHP.

Since the expansion of technology and digital platform, the growing marketing, advertising and branding through the influencers, our company proposes to expand its existing business in the Chtrbox Division and Chtrsocal Division. For details on Industry Overview, please refer to page 98 of the DRHP.

Due to reasons mentioned below, our company proposes to utilize Rs. 1107.25 Lakhs of the Net Proceeds towards purchase of hardware and software, renting co-working space and enhancement of manpower for our existing business. The reasons for funding the above requirements for existing business is mentioned below:

- 1) By investing in the latest graphic supporting and high-speed hardware will help us improve the quality and efficiency of delivering our services.
- 2) By investing in software like Sonicwall firewalls and Seqrite end point security will help us improve the cybersecurity and strengthen the data security.
- 3) By renting of co-working space in Bengaluru and New Delhi, we intend to capture the Southern and Northern market within India. For details on “*Geography wise sales break up*”, please refer to page no. 104 of the DRHP.
- 4) By investing in the above 3 points, we also intend to provide end-to-end solutions which includes creative writing, appointment of influencers, content writing, video shooting, ad production and delivery of the marketing/ advertisement campaign. In order to ensure the same, we propose to appoint/ hire employees at Corporate level, senior-level and mid-level in the Business Development & Operations Team, Creative and Production Team, Client Servicing team.

#### Steps taken towards the above capital required for existing business:

- 1) We have identified and shortlisted the hardware and software needed for our purchasing to achieve the reasons as mentioned in point 1 and 2 above.
- 2) We have identified and shortlisted the co-working spaces in Bengaluru and New Delhi.
- 3) We have identified and shortlisted the HR agency who will be assisting us in appointing/ hiring the necessary required manpower.

Accordingly, the various vendors/ parties details such as profile, clients served, financials, quotations/ agreements etc. had been represented and approved by our Board of Directors via their meeting held on February 15, 2025. Based on their approval, please find below the details on each capital expenditure and the schedule of implementation:

The details of capital required for the above-mentioned expansion is as follows:

(₹ in Lakhs)

Sr. No.	Particulars	Estimated Cost
a)	Purchase of hardware and software	195.20 <sup>^</sup>
b)	Rent co-working space and security deposit payable towards the same	108.86 *
c)	Manpower enhancement	803.19**
	<b>Total</b>	<b>1107.25</b>

<sup>^</sup>Inclusive of GST

\* Rent is inclusive of GST and Security Deposit is exclusive of GST.

\*\* Exclusive of GST and other applicable taxes.

#### Given below is the schedule of implementation for the above object mentioned of Issue:

Sr. No.	Particulars	Estimated month & year of <sup>s</sup>	
		Commencement	Completion
<b>A</b>	<b>Capital expenditure on purchasing the Hardware and Software</b>		
	Purchase of the Hardware and Software	May 2025	September 2025
	Installation of the Hardware and Software	May 2025	September 2025
	Commencement of operations	May 2025	September 2025
<b>B</b>	<b>Rent co-working space</b>		
	Identification of location for renting the co-working spaces in Bengaluru and New Delhi	June 2025	June 2025
	Entering into an agreement and payment of the security deposit	June 2025	June 2025
	Commencement of usage of co-working space	June 2025	June 2025
<b>C</b>	<b>Manpower enhancement</b>		
	Enter into an agreement with HR agency	December 2024	December 2024
	Appointment of manpower	May 2025	September 2025

*\$ this timeline is a variable factor and subject to finalization of basis of allotment and listing of the shares of our company on the Designated Stock Exchange.*

#### A) **Purchase of hardware and software**

In order to ensure that we improve our quality and efficiency of our service, we intend to purchase the latest technology updated high speed and graphic supporting hardware. Also, to ensure the data privacy of our customers and exclusive influencers and to avoid any potential leakage of marketing, advertisement campaign of customers, our management has decided to provide company owned hardware with disabled USB ports, restrictive access to the personal emails etc. through cybersecurity related software to our employees.

In order to achieve the above, our company proposes to utilize Rs. 195.20 Lakhs of the Net Proceeds towards the purchase the hardware and software as detailed below:

(₹ in Lakhs)				
Sr. No.	Particulars	Quantity	Estimated Cost Price Per Unit ^	Total Estimated Cost ^
	<b>List of Hardware to proposed to be purchased #</b>			
1	<b>HP 240 35.6cm (14") G10 Business Laptop PC</b> , Silver – 13th Gen Intel Core i5 Processor, Free Dos 3.0, Intel UHD Graphics, 8GB DDR4 -3200 MT/s RAM, 512GB Solid State Drive, 720p HD Camera, Spill Resistant and Backlit Keyboard. Intel® Core™ i5-1335U (up to 4.6 GHz with Intel® Turbo Boost Technology, 12 MB L3 cache, 10 cores, 12 threads).	20	0.60	11.90
2	<b>Lenovo Thinkpad E16 40.16cm -13th Generation Intel® Core™ i7-1355U</b> Processor (E-cores up to 3.70 GHz P-cores up to 5.00 GHz) - Windows OS - Integrated Intel® Iris® Xe Graphics, 16 GB DDR4-3200MHz(8 GB Soldered + 8 GB SODIMM), 512 GB SSD M.2 2242 PCIe Gen4 TLC Opal, 40.64cms (16) WUXGA (1920 x 1200), IPS, Anti-Glare, Non-Touch, 100%sRGB, 300 nits, 60Hz, Low Blue Light. 1 Year onsite warranty, with Bag	50	0.86	43.10
3	<b>Z2 Tower G9 Business Desktop PC Workstation by HP</b> , 14th Generation Intel® Core™ i7 processor, Intel® UHD Graphics 770, 16 GB DDR5-4800 RAM 512 GB SSD Solid State Drive HP 125 Wired Keyboard, 1 VGA; 2 DisplayPort™ 1.4 + HP P27h G5 68.6 cm (27) FHD Monitor - Flat IPS with Edge-lit 1 HDMI 1.4, DisplayPort™ 1.2 Tilt & Height Adjustable Stand LED backlights, On-screen controls, Low blue light mode, Dual speakers (2W per channel), Anti-glare, Height adjustable	15	1.25	18.81
4	<b>Apple M4 chip with 8-core CPU, 8-core GPU</b> , 16-core Neural Engine, 60.96cm (24") 4.5K Retina display <sup>2</sup> / Standard glass, 24GB unified memory, 512GB SSD storage Two Thunderbolt / USB 4 ports, Gigabit Ethernet Magic Trackpad Magic Keyboard with Touch ID and Numeric Keypad - US English Final Cut Pro Logic Pro	25	2.34	58.50
5	<b>Apple MacBook Air 2024 (15.3 inch, M3, 16GB, 512GB, macOS, Starlight)</b> , Processor : Apple M3 Chip Display : 38.86 cms (15.3 inches) Liquid Retina Memory : 16GB Unified Memory RAM, 512GB SSD ROM OS : macOS	15	1.48	22.13
6	<b>Dual Intel Xeon Gold 6248 (20 cores, 2.5 GHz), Compatible server motherboard with multiple PCIe slots</b> , 256 GB DDR4 ECC RAM, 4 x 2TB NVMe SSDs (RAID 10 configuration), 8 x 10TB SATA HDDs for archival storage, NVIDIA RTX A6000, Dual-port 10GbE NIC, 1600W Power Supply, Rackmount Chassis, Advanced Cooling System, Windows OS, External Backup	2	15.75	31.50
	<b>List of Software to proposed to be purchased #</b>		0.00	
7	<b>SonicWall Generation – 7 TZ 470 NGFW – 8 * 1 GbE Ethernet</b> , 2x2.5 GbE SFP/SFP+, 2 x USB 3.0, 3.5 Gbps of Firewall throughput, 2 Gbps of IPS & Application Inspection Throughput, 1.5 Gbps of VPN, Anti Malware & Threat Prevention Throughput, 1,000,000 connection handling capacity with 12000 new session/second engine sandboxing – ransomware protection, RTDMI Technology, DNS Security, Gateway Anti-virus, Intrusion detection and prevention,	1	1.37	1.37



Sr. No.	Particulars	Quantity	Estimated Cost Price Per Unit ^	Total Estimated Cost ^
	Web & URL Filtering, Application Control, Anti Spam, Network visibility, 24x7 SonicWall support – 3 year license.			
8	Seqrte End Point Security Cloud Premium	125	0.01	1.25
9	Adobe Premiere Pro	20	0.33	6.64
	<b>Total</b>			<b>195.20</b>

# the above estimated cost is mentioned based on the quotation provided by the vendor, i.e. M/s FoxBASE Technologies Private Limited having CIN U72200KA2013PTC069491 and the quotation mentioned is valid for 6 Month w.e.f. 01-02-2025.

^Inclusive of GST

No second-hand hardware and software are proposed to be purchased out of the Net Proceeds.

Above quotations are very short duration quotation and are used only for the purpose of price estimation. The above prices are subject to change without any notice and final applicable prices will be as per prevailing prices at the time of invoicing of hardware and software. If the Net Proceeds are insufficient to the extent required for purchase of Hardware and Software, payment of rent and payment of Annual Maintenance Contract to the HR agency, then such amount shall be met from our internal accruals.

Our Promoters or Directors or Key Management Personnel or Senior Management Personnel or Group Entities have no interest in the vendors/ suppliers/ parties of proposed capital expenditure, as stated above. Further, Our Promoters or Directors or Key Management Personnel or Senior Management Personnel or Group Entities are not related to the vendors/ suppliers/ parties as mentioned above.

#### **B) Renting of Co-working Space**

As on date of filing the DRHP, majority of our services are provided to customers located Western India, Northern India and Southern India particularly within Maharashtra, Delhi Haryana, Karnataka. These four states together contribute 89.99%, 93.93%, 91.71% and 88.82 % for nine months ended December 31, 2024, FY 2024, FY 2023 and FY 2022, respectively. For details on our Geography wise sales break up, please refer to page no. 104 of the Draft Red Herring Prospectus.

Our company proposes to utilize Rs. 108.86 Lakhs of the Net Proceeds towards the renting of co-working space in Northern India and Southern India, particularly in Bengaluru and Delhi. The major reasons our company proposes to rent co-working space in these states is as follows:

- Renting co-working space in Bengaluru and Delhi will act a centralized location for deeper market penetration within the southern and northern states of India specifically in Chennai, Hyderabad, Punjab, Haryana, Himachal and UP.
- Since **Bengaluru** is **a)** home to major IT companies, unicorn startups and venture-backed brands, it provides a huge growth by tapping the marketing opportunity through influencer marketing (Chtrbox Division); **b)** since the city has a strong regional identity and local companies/ brands prefer working with local agencies and talent over outsiders hence, building a strong base assist in closing the language barrier thereby building trust with our customers and **c)** it will act as a gateway to expanding our footprint to other southern territories specifically in Chennai and Hyderabad as these two states are also growing digital markets.
- Since **Delhi** is **a)** home to companies in FMCG, retail, beauty, fashion, and automobile sector, it provides an opportunity to cater to wide range of sectors; **b)** its strategic location helps us to expand our services within Punjab, Haryana, Himachal and UP as these states are economically growing states.
- It will provide an opportunity for expanding our business/ professional networks and introductions which would turn into lasting relationships and possibly new business growth within southern and northern states of India.
- Provides opportunity to connect with regional influencers thereby converting these connections to appointing/ hiring the regional influencers who would work exclusive through our company.
- It acts as plug and play solution whereby it provides convenient work space with built-in amenities like front-desk and cleaning staff, printing services, internet connectivity, and kitchen and bathroom amenities thereby eliminate the overhead costs and capital expenditures typically associated with opening an office space of your own.
- The acoustic environment and each space may serve as the ideal backdrop for local video shooting and ad production.

Following are the details of the proposed Co-working space to be leased out by our company:

(₹ in Lakhs)

Sr. No.	Location	Approximate y Seats required	Estimated Rent payable \$	Estimate Security Deposit payable ^	Total Estimated Cost #
1.	Bengaluru, Bellandur	10 Seats	31.15 p.a.	13.20	44.35
2.	Delhi, Connaught Place	20 Seats	45.31 p.a.	19.20	64.51
	<b>Total</b>		<b>76.46 p.a.*</b>	<b>32.40</b>	<b>108.86</b>

\$ Inclusive of GST

^ One-time refundable Security Deposit payable for 6 months rental.

\*Rs. 63.72 Lakhs shall be utilized in FY 2026 and the balance amount of Rs. 12.75 Laks shall be utilized in FY 2027.

# we have relied on the above estimated cost/ quotations as provided by M/s Max Realty, Partnership firm having GST Registration Number 27AAQFM2056A1ZG and quotation is valid for 6 months from February 06, 2025.

Above quotations are very short duration quotation and are used only for the purpose of price estimation. The above prices are subject to change without any notice and final applicable prices will be as per prevailing prices at the time of entering into an agreement and invoicing of co-working space. If the Net Proceeds are insufficient to the extent required for payment of rent per month, then such amount shall be met from our internal accruals.

Our Promoters or Directors or Key Management Personnel or Senior Management Personnel or Group Entities have no interest in the vendors/ suppliers/ parties of proposed capital expenditure, as stated above. Further, Our Promoters or Directors or Key Management Personnel or Senior Management Personnel or Group Entities are not related to the vendors/ suppliers/ parties as mentioned above.

### C) Manpower enhancement

As a part of our expansion plan, our company proposes to provide end to end solution to our existing customer and newer customers. This includes creative writing, editing, influencers management, content writing, marketing and content consulting and advisory, video production and delivery of the marketing/ advertisement campaign. For details on our existing services and service process, please refer to page nos. 108 and 109 of the DRHP, respectively.

In addition to purchasing and upgrading our hardware and software and the renting of co-working space in Bengaluru and Delhi, our company proposes to utilize Rs. 803.19 Lakhs of our Net Proceeds towards appointing/ hiring employees at Corporate level, senior-level and mid-level in the Business Development & Operations Team, Creative and Production Team, client servicing team. These employees will either be joining our Chtrbox division or Chtrsocal division. For details on our existing Directors, KMP and SMP, please refer to chapter titled “**Our Management**” beginning from page no. 137 of the DRHP.

Our company has entered into a Service Level agreement with Vedit HR Solutions Private Limited having CIN U74910MH2019PTC330034 (Service Provider) dated December 01, 2024 which is valid for a period of 12 months w.e.f. January 01, 2025. As per the agreement, Service Provider will be providing us with the following services:

- Sourcing of the resumes of the candidates as per our company’s requirement
- Conduct preliminary discussions with prospective candidates
- Provide the shortlisted candidates resumes to the company for interview
- Support during the interview and requirement process

For providing these services, the Service Provider shall charge a fee of between 8.33%- 12% of annual Cost-to-Company which is included in the total proposed utilization of Rs 804.00 lakhs. Further, we hereby confirm that the Service Provider does not have any relationship directly or indirectly with our Company or our Promoters or our Promoter Group members or Promoter Groups or our Directors or our KMPs or SMPs.

The estimated manpower required and estimated cost for appointing/ hiring employees is mentioned on the basis of the quotation dated February 05, 2025 and as provided the Service Provider. The quotation is valid for six months. w.e.f. February 05, 2025. The cost of estimated manpower required and estimated cost for appointing/ hiring employees amounts to around Rs. 803.19 Lakhs derived from the salary expectation in the current market. This figure encompasses salaries, benefits, and any associated expenses required to onboard and support the team throughout the year. In FY 2026 and FY 2027, the estimated salary cost towards manpower enhancement is expected to be around 489.67 lakhs and 244.83 lakhs respectively considering the timing required towards hiring the manpower. Further, service provider’s fee applicable to be paid amounting to approximately Rs. 68.69 lakhs are expected to be incurred in FY 2026 in accordance with hiring completion for details of hiring schedule, refer schedule of implementation above. The details of manpower to be appointed/ hired and the expected costs are as follows:

Sr. No.	Department name	Designation of the employees to be hired	Name of the Division and/ or Sub-Division	Location	Required number of years of experience	Estimated monthly CTC (lakhs) @	Total Number of manpower required	Total cost p.a. (lakhs) per resources \$	Total Amount to be funded from the Net Proceeds	
									In FY 2026	In FY 2027
A	Corporate	Chief Business Officer	N.A.	Mumbai	15+ Years	12.50	1.00	150	100.00	50.00
		Regional Head – North	N.A.	Delhi	10+ Years	5.00	1.00	60	40.00	20.00
		Regional Head – South	N.A.	Bengaluru	10+ Years	5.00	1.00	60	40.00	20.00
B	Business Development & Operations	Team Lead - Brand solutions	Chtrbox	Mumbai, Delhi & Bengaluru	5+ Years	1.67	3.00	20	40.00	20.00
		Team Lead - Talent Management	Chtrbox	Delhi & Bengaluru	5+ Years	1.25	2.00	15	20.00	10.00
		Senior Manager - Brand solutions / Social Media Management	Chtrbox & Chtrsocal	Mumbai, Delhi & Bengaluru	3 - 5 Years	1.00	6.00	12	48.00	24.00
		Senior Manager - Talent management	Chtrbox	Mumbai, Delhi & Bengaluru	3 - 5 Years	0.83	5.00	10	33.33	16.67
		Manager	Chtrbox	Mumbai	1 - 3 years	0.63	3.00	7.5	15.00	7.50
C	Creative Production &	Creative Director (Head of Production)	Chtrsocal	Mumbai	8 - 10 Years	2.00	1.00	24	16.00	8.00
		Creative Strategist	Chtrbox		4 - 8 years	1.67	1.00	20	13.33	6.67
		Performance Marketing Analyst	Chtrsocal		5 - 7 Years	1.50	1.00	18	12.00	6.00
		Social Media Campaign and Growth Specialist	Chtrsocal		4+ Years	1.25	1.00	15	10.00	5.00
		Script Writer	Chtrsocal		5 - 8 Years	1.00	1.00	12	8.00	4.00
		Studio Manager	Chtrsocal		5+ Years	1.00	1.00	12	8.00	4.00
		Production Manager	Chtrsocal		5+ Years	0.83	1.00	10	6.67	3.33
		Content Creator	Chtrsocal		0 - 2 Years	0.67	3.00	8	16.00	8.00
		Writer / Editor	Chtrbox		1 - 4 years	0.58	3.00	7	14.00	7.00
D	Client Servicing	Team Lead	Chtrbox	Mumbai	5+ Years	1.25	1.00	15	10.00	5.00
		Senior Manager	Chtrbox	Mumbai & Bengaluru	3 - 5 Years	0.83	3.00	10	20.00	10.00
		Manager	Chtrbox	Mumbai & Delhi	1 - 3 Years	0.63	3.00	7.5	15.00	7.50
		Associate Manager	Chtrbox	Mumbai	0 - 1 Year	0.54	1.00	6.5	4.33	2.17
E	Service provider's fees	N.A.	-	-	-	-	-	-	68.69*	-
<b>Total</b>									<b>558.36</b>	<b>244.83</b>

\*Exclusive of GST

@ Average CTC is on per resource per annum basis. As confirmed by the service provider, the average cost to company is based on the current market trends and may vary based on the market conditions at the time of hiring. However, it does not expect any significant deviations in the next 3 to 6 months (w.e.f. February 5, 2025)

## 2. Funding Capital expenditure for setting up an additional office cum setting up a new studio

As on date our company only has a registered office located in Mumbai which is used for our day-to-day operation, creative writing, content writing and editing etc. However, within the said premises we are unable to do proper video shooting, ad production and delivery the marketing/ advertisement campaign. Also to cater to the ever growing visual/video content through the influencer marketing, we intend to utilise Rs. 713.74 Lakhs of net proceeds towards setting an additional office space which will also include fully equipped and well-furnished studio this will help us focusing on focus on enabling high quality video shoot and ad production with a quick turnaround time.

(₹ in Lakhs)		
Sr. No.	Particulars	Estimated Cost ^
a)	Lease of proposed office space-3000 Sq. Ft.	126.00
b)	Setting up of proposed office space- 1500 sq. ft.- for <b><u>day to day operation</u></b>	53.80
c)	setting up the proposed office space - 1500 sq. ft.- for <b><u>proposed studio</u></b>	533.94
	<b>Total</b>	<b>713.74</b>

^Inclusive of GST

### Reasons for setting up an additional office cum setting up a new studio

- Additional office space will help us smoothen our business operations thereby and accommodate additional manpower proposed to be hired for the Company.
- By investment in setting up a studio, we will be able to efficiently provide video shooting and ad production for our customers in-house thereby ensuring the quality outcome of campaigns and ads. This will also help in reducing our reliance on external productions, leading to a reduction in outsourcing costs, enhance our existing service portfolio which in turn is expected to result in an increase in our revenues and profits. For further details see, “***Our Business – Our Strategies***” on page 106 of the DRHP.

The details of estimated capital expenditure requirements of our Company for setting up an additional office cum setting up a new studio which are proposed to be funded from Net Proceeds are described below:

(₹ in Lakhs)					
Particulars	Location	Approximate area required	Estimated Rent payable \$	Estimate Security Deposit payable ^	Total Estimated Cost #
Lease of space for setting up office and a new studio. This includes 3 car parking, bare shell, rooftop dining, robotic car parks and E V Charging Station	Mumbai, Andheri (West)	3000 Sq. ft. *	88.50 p.a.	37.50	126.00

\*out of the 3000 sq. ft. area, approximately 1500 sq. ft. will be used for setting up of the studio

\$ Inclusive of GST

^ One-time refundable Security Deposit payable for 6 months rental and excludes GST.

# we have relied on the above estimated cost/ quotations as provided by M/s Max Realty, Partnership firm having GST Registration Number 27AAQFM2056A1ZG and quotation is valid for 6 months w.e.f. February 06, 2025.

In order set up the proposed office space- **1500 sq. ft. for day to day operation**, we have relied on the quotation provided by M/s **Harishankar Furniture & Decorators**, bearing GST Registration number 27ACAPY2344P1Z1 and the quotation is valid for 6 months w.e.f. February 06, 2024. As per the quotation, scope of work and approximate expenses is as follows:

(₹ in Lakhs)

Sr. No.	Scope of work	Estimated Cost
A	Civil work including, inter alia, PCC and RCC work, plastering, Waterproofing, fabrication, carpentry, painting, flooring tiles, false ceiling, wall partitions, and wall partitions etc	12.23
B	Electrical work including fire-fighting, Floor and Ceiling Electrical Conduiting, supply and installation of entire electrical systems, Electrical Fittings etc	14.20
C	Plumbing work	1.40
D	Interior Decoration including Furniture & Fixtures including wall design and panelling, door and window fittings, chairs, work stations, glass door with PVC glass films, console storage with video wall screen low height storage etc	17.77
	<b>Total Amount</b>	<b>45.60</b>
	Add: GST @18%	8.20
	<b>Grand Total</b>	<b>53.80</b>

In order to set up the proposed studio- **1500 sq. ft.**, we have relied on the quotation provided by M/s **Transs Technoconsultants Pvt. Ltd.**, bearing CIN U74140DL2006PTC146788 and the quotation is valid for six months w.e.f. February 06, 2025. As per the detailed quotation, scope of work and approximate expenses is as follows:

(₹ in Lakhs)

Sr. No	Scope of work	Estimated cost per Unit	Qty required	Estimated cost
	<b>REAL Set STUDIO/Chroma</b>			
1	"Sony HXCFZ90 4K Camera including HXC-FZ90HN - 2/3 inch UHD 4K/HD CMOS sensors, HXC-FZ90N - Full rack Camera Control unit, RCP-3100 - Remote Control Unit (LAN/ CCA-5 both), HDVF EL740 - 7.4 inch OLED Viewfinder HD VF., VCT-14 - Tripod Plate, CCFN-50 (50M) - 50Mtrs Neutrik Fibre Cable, HZCU-UH9 - 4K software Upgrade License and Lenses	35.92	6	215.52
2	19"Teleprompter with display, Remote, Glass, MOS	1.45	1	1.45
3	Three Leg Tripod Studio Assist Fluid Video Tripod Kit (Load Capacity 100kg) Ground Spreader	1.25	6	7.50
4	32" TV with sdi to HDMI Video convertor and mobile stand(MAIN STUDIO ANCHOR+CAMRAPERSON)	0.32	2	0.64
5	Dolly for Camera Tripod movement.Video Assist 100 kg	0.25	6	1.50
6	Lapel Mic Sennhesier MKE2PC with clip	0.22	6	1.32
7	Telex CS2 EP for anchore	0.11	6	0.66
8	Studio light 100 watt lekxa (for main studio )	0.21	15	3.15
9	Studio light 100 watt fresnal (for main studio )	0.36	5	1.80
10	Audio Monitor M-Audio BX5 D3	0.12	1	0.12
	<b>PCR MAIN</b>			
11	KAHUNA 3 M/E PRODUCTION SWITCHER	72.00	1	72.00
12	Yamaha MG32 Professional 32-Channel Mixer Console with AES Converter	1.92	1	1.92
13	Sony 21" 4K SDI monitor (PGM/PRV) + 1 QC for GFX and Server room	8.5	3	25.50
14	Telephone Hybrid Glensound 2 channel with telephone headsets	0.99	1	0.99
15	Audio Monitor M-Audio BX5 D3	0.12	1	0.12
16	55"TV for PCR MONITORING with SDI to HDMI Converter	0.4	3	1.20
	<b>INGEST EQUIPMENTS</b>			
17	Playout Bundle,1 INGEST and 1 PCR Playout	4.5	1	4.50
18	Server Xeon for Ingest With I/O Card	4.5	1	4.50
19	16 Bay Rack Mount Stroage Asrock BACKEPO621DBA, ATX12" x 9.6" single socket P support Intel Xeon scalable Processor Support six, Channel DDR4 2636724002133 rdimwlr DIMM supports 10TB X 8, 10.0 Gb/s	5.1	1	5.10
	<b>CENTRAL EQUIPMENTS</b>			
20	Cobalt 4K Router 24x24	4.85	1	4.85
21	Cobalt openGear compatible converter cards provide the highest levels of quality and reliability for use in openGear frames including the Cobalt frame, HD/SDI DA/EMBEDDER/ DEMBEDDER /ANALOUGE VIDEO DA/UPDOWN CROSS CONVERTER etc.	23	1	23.00
22	The Datavideo ITC-100 with 8 Intercom System provides talkback and tally indicators. The director can select to talk to an individual channel or to all channels simultaneously.	1.98	1	1.98
23	MPS100 4K waveform monitor for video parameter testing	8.4	1	8.40
	<b>Editing / Graphics</b>			
24	Video Editing System	1.33	3	4.00
25	<b>INSTALLATION MATERIAL *</b>			

Sr. No	Scope of work	Estimated cost per Unit	Qty required	Estimated cost
	Equipments Racks with Accessories, Side Panels (A LOT), MDU - Rack Power Supply, MDU Power Connectors, Video Cable 305M Roll-Red, BNC Connectors with Boots, HD Video Patch Panels, Video Patch Cords, Shielded Digital Line Audio Cable, Audio Wire for Rack - 305 mtr Roll Audio Wire for studio - 305 mtr Roll, Audio Patch Cord-3ft', XLR Male / Female Pair, Phono Stereo Connectors, RCA Connectors, Installation Material IT INFRASTRUCTURE, Ethernet Cable CAT-6 - 305 M Roll, Network Switches ( 10 G Copper 32 Port), Integrated KVM Switch, Network I/O for Server and their clients, Rack Network Patch Panels, Equipments Racks with Accessories, Side Panels, MDU - Rack Power Supply, MDU Power Connectors, USB and VGA Extender Cables, ON AIR Light, Keyboard & Mouse, Miscellaneous: Cables, Connectors, Pheruls, Tags, Ties etc	11.00	1	11.00
<b>26</b>	<b>SYSTEM TRAINING AND COMMISSIONING *</b>			
	Channel Flow Diagram, Channel system Wired Diagram, Installation, Testing, Commissioning, Troubleshooting, Training for complete installed workflow (individual equipments training will be provided by OEM), handing over the project."	8.52	1	8.52
<b>27</b>	<b>Civil and Interior for studio premises for 1500 sq. Ft *</b> Civil Work • Electric Work • Networking Work • Air conditioner as per area • Ambience Lighting • Table and Chair as per office design • Technical Tables for PCR & MCR • Acoustics • One Studio Real Set (Table & Chair) • One Studio Chroma Set • Studio Light Griding and Power point.	41.25	1	41.25
	<b>Total</b>			<b>452.49</b>
	<b>GST @18.00%</b>			<b>81.45</b>
	<b>Grand Total</b>			<b>533.94</b>

No second-hand equipment and software are proposed to be purchased out of the Net Proceeds.

Above quotations are very short duration quotation and are used only for the purpose of price estimation. The above prices are subject to change without any notice and final applicable prices will be as per prevailing prices at the time of invoicing of hardware and software. If the Net Proceeds are insufficient to the extent required for purchase of equipment's and software, payment towards civil work and interior work, then such amount shall be met from our internal accruals.

Our Promoters or Directors or Key Management Personnel or Senior Management Personnel or Group Entities have no interest in the vendors/ suppliers/ parties of proposed capital expenditure, as stated above. Further, Our Promoters or Directors or Key Management Personnel or Senior Management Personnel or Group Entities are not related to the vendors/ suppliers/ parties as mentioned above.

### 3. Funding Capital requirements for Brand Building of our own Company

Our company proposes to utilise Rs. 501.50 Lakhs of net proceeds towards enhancing its own brand visibility within the existing and newer markets.

#### Reasons for brand building our own Company

- Provides opportunity for Tailored PR thereby increasing our market penetration in the existing and newer markets
- Provides opportunity for integrating with regional influencer and well-known and popular influencer.

In order to achieve the above, our company has relied on the quotation provided by The Reppro (Proprietary Firm), bearing Registration number 09AIIPG6080G1Z6 and the quotation is valid for 6 months days w.e.f. February 08, 2025. As per the detailed quotation, scope of work and approximate expenses is as follows:

(₹ in Lakhs)

Sr. No.	Scope of work	Estimated Cost
A	<b>Strategic Planning and Market Research</b> includes conducting enhanced research focusing on regional nuances and developing a unified yet regionally adaptable PR strategy and outreach plan	25.00
B	<b>Digital Media Outreach and Regional PR Execution</b> includes distributing press releases tailored to regional audiences and securing digital placements in local and national publications.	100.00
C	<b>Collaborations and Localized Engagement</b> includes activate media and talent collaborations for each region with specific deliverables and launching digital activations to amplify content showcasing Chatterbox's brand	60.00
D	<b>High-Impact Events and Networking</b> includes Sponsor regional and industry-specific events like the Arab Social Media Influencers Summit, Qatar's Influence Exchange Confex etc. and Host client and influencer meet-ups to showcase Chatterbox's offerings.	100.00
E	<b>Reputation Management and Client Success Stories</b> includes implementation of a proactive reputation management framework and sharing case studies across media and digital platforms.	75.00
F	One time Agency Fee (Non- Refundable)	65.00
	<b>Total</b>	<b>425.00</b>
	GST @18.00%	76.50
	<b>Grand Total</b>	<b>501.50</b>

Above quotations are very short duration quotation and are used only for the purpose of price estimation. The above prices are subject to change without any notice and final applicable prices will be as per prevailing prices at the time of invoicing.

Further, we hereby confirm that the vendor does not have any relationship directly or indirectly with our Company or our Promoters or our Promoter Group members or Promoter Groups or our Directors or our KMPs or SMPs.

#### 4. Meeting the incremental working capital requirements of our company

The existing working capital requirements of existing business and key assumptions with respect to the determination of the same are mentioned below:

##### a) Existing Working Capital:

The details of our Company's working capital for nine months period ended on December 31, 2024 and as at March 31, 2022, March 31, 2023 and March 31, 2024 is derived from the Restated Financial Statements, and source of funding of the same are provided in the table below:

(₹ in lakhs)								
Particulars	31-Mar-22	No. of Days	31-Mar-23	No. of Days	31-Mar-24	No. of Days	31-Dec-2024	No. of Days
	Actuals		Actuals		Actuals		Actuals	
<b>Current Assets</b>								
Inventories	0.00		0.00		0.00		0.00	
Trade Receivables	655.53	75	713.97	65	855.32	56	1,697.60	103
Short Term Loans & Advances and Other Current Assets	27.62		19.24		394.12		799.27	
<b>Total</b>	<b>683.15</b>		<b>733.21</b>		<b>1,249.44</b>		<b>2,496.87</b>	
<b>Current Liabilities</b>								
Trade payables	329.40	44	459.96	48	489.03	43	1,108.76	87
Other Current Liabilities & Short term Provisions	544.35		452.89		229.17		265.43	
<b>Total</b>	<b>873.75</b>		<b>912.85</b>		<b>718.20</b>		<b>1,374.19</b>	
<b>Working Capital Gap</b>	<b>-190.60</b>		<b>-179.64</b>		<b>531.24</b>		<b>1,122.68</b>	
Less: Existing Borrowings	0.00		0.00		0.00		0.00	

Particulars	31-Mar-22	No. of Days	31-Mar-23	No. of Days	31-Mar-24	No. of Days	31-Dec-2024	No. of Days
	Actuals		Actuals		Actuals		Actuals	
<b>Net Working Capital Requirement</b>	<b>-190.60</b>		<b>-179.64</b>		<b>531.24</b>		<b>1,122.68</b>	
<b>Funded through Internal Accruals and Equity</b>	<b>-190.60</b>		<b>-179.64</b>		<b>531.24</b>		<b>1,122.68</b>	

#### b) Estimated Working Capital Requirements

Considering the existing and future growth, the total net working capital needs of our Company, as assessed based on the internal workings of our Company is expected to reach to ₹ 1071.23 lakhs for Fiscal 2025 and ₹ 1,704.11 lakhs for Fiscal 2026. Our Company proposes to utilize ₹ 632.88 lakhs of the Net Proceeds for our estimated working capital requirements in FY 2026. The balance portion of our Company working capital requirement, if any, shall be met from the internal accruals. The estimated working capital requirements, as approved by the Board pursuant to a resolution January 21, 2025 and key assumptions with respect to the determination of the same are mentioned below:

(₹ in lakhs)				
Particulars	31-Mar-25	No. of Days	31-Mar-26	No. of Days
	Estimated		Projected	
<b>Current Assets</b>				
Inventories	0.00		0.00	
Trade Receivables	1,157.53	65	1,691.78	65
Short Term Loans & Advances and Other Current Assets	854.79		1,249.32	
<b>Total</b>	<b>2,012.33</b>		<b>2,941.10</b>	
<b>Current Liabilities</b>				
Trade payables	641.10	45	936.99	45
Other Current Liabilities & Short-term Provisions	300.00		300.00	
<b>Total</b>	<b>941.10</b>		<b>1,236.99</b>	
Working Capital Gap	<b>1,071.23</b>		<b>1,704.11</b>	
Less: Existing Borrowings	0.00		0.00	
<b>Net Working Capital Requirement</b>	<b>1,071.23</b>		<b>1,704.11</b>	
<b>Proposed Working Capital to be funded from IPO</b>	<b>-</b>		<b>632.88</b>	
Funded through Internal Accruals and Equity	<b>1,071.23</b>		<b>1,071.23</b>	

The working capital projections made by the Company are based on certain key assumptions, as set out below:

Sr. No.	Particulars	Assumptions
	Revenue Assumption for FY 2026	We have estimated FY 2026 revenue presuming growth over FY 2025 revenue figure based on our history and from expansion of our business as well as expected increased business from northern and southern markets by establishing proposed offices in these territories and proposed studio set-up from the issue proceeds for projecting our revenue for FY 2026 keeping all other parameters in line with FY 2024 financials. FY 2026 Sales estimate is the basis of our future working capital estimates.
<b>Current Assets</b>		
1	Inventories	Our Company is into influencer and digital marketing and social media management services where we provide various marketing and branding services to the clients accordingly we do not have any inventory. However, we have revenues that remain unbilled as of the cut-off date of balance sheet depending on the stage where the campaign/provision of service is and/or on account of pending billing formalities/customer approvals and the same is not billed as on the cut-off



Sr. No.	Particulars	Assumptions
		date of balance sheet extending our working capital cycle, which is shown as unbilled revenue under the head other current assets as a result of accounting principles.
2	Trade Receivables	In Fiscal 2022, Fiscal 2023, Fiscal 2024 our receivable days were between 75 to 56 days, similar to the normal credit period of 60-90 days. However, for the period ended December 2024, our receivable days were higher than normal at 103 days due to delayed collections. However, in Fiscal 2025 our receivable days are expected to normalize and accordingly we have presumed 65 days of receivable days for the Fiscal 2025. To achieve higher business growth and the need for increasing the sales volume, we plan to maintain credit period to our clients at 65 days of sales for the Fiscal 2026.
3	Short Term Loans & Advances and Other current assets	The key items under this head are accrued interest, prepaid expenses, advances to suppliers, other receivables, unbilled revenues etc. For further details refer restated financial statements on page 160.
<b>Current Liabilities</b>		
4	Trade Payables	In Fiscal 2022, Fiscal 2023, Fiscal 2024 our trade payable days were 44, 48 and 43 days respectively and within the normal credit period of 30-60 days offered to us by our creditors. However, for the period ended December 2024, our payable days were higher than normal at 87 days due to stretched working capital situation and accordingly we managed our working capital by delaying creditors payments. However, in Fiscal 2025 our trade payable days are expected to normalise at 45 days as per normal business terms due to easing of liquidity positions in line with expected trade receivable days.  Going forward we plan to maintain our payments to creditors at same level as we did historically and accordingly we have estimated payables days at 45 days for Fiscal 2026.
5	Other Current Liabilities & Short term Provisions	Other current liabilities & Provisions include, deferred revenue, statutory dues, employee benefit payable, Advance from customers, expenses payable etc.

The past and the proposed working capital requirements of our existing business have been certified by M/s. Joy Mukherjee and Associates, Chartered Accountants vide their certificate (UDIN: 25419374BMOHKB7128) dated February 19, 2025.

## 1. General Corporate Purposes

Our Company proposes to deploy the balance Net Proceeds aggregating to ₹[●] lakhs towards general corporate purposes. The general corporate purposes for which our Company proposes to utilise the Net Proceeds include but are not limited to funding growth opportunities, strategic initiatives, joint-ventures, partnerships, marketing, brand building and brand development expenses, expansion of facilities and meeting exigencies and expenses incurred by our Company in the ordinary course of business. In addition to the above, our Company may utilise the Net Proceeds towards other expenditure (in the ordinary course of business) considered expedient and as approved periodically by the Board, subject to compliance with necessary provisions of the Companies Act. The quantum of utilisation of funds towards each of the above purposes will be determined by our Board based on the business requirements of our Company, from time to time. Our Company's management, in accordance with the policies of the Board, shall have flexibility in utilising surplus amounts, if any. However, we confirm that the amount for general corporate purposes, as mentioned in objects of the issue, shall not exceed 15% of the amount raised by our Company through the Gross Proceeds or Rs. 10 crores whichever is lower.

## Offer Related Expenses

The total expenses of the Offer are estimated to be approximately ₹ [●] lakhs. The expenses of this Offer include, among others, underwriting and management fees, printing and distribution expenses, advertisement expenses and legal fees, if applicable. The estimated Offer expenses are as follows:

(₹ in lakhs)			
Activity	Estimated expenses*	As a % of the total estimated Offer expenses	As a % of the total Offer size
BRLM fees (including underwriting, brokerage and selling commission)	[●]	[●]	[●]

Activity	Estimated expenses*	As a % of the total estimated Offer expenses	As a % of the total Offer size
Commission / processing fee for SCSBs, Sponsor Bank and Bankers to the Issue. Brokerage and selling commission and bidding charges for Members of the Syndicate, Registered Brokers, RTAs and CDPs. **	[●]	[●]	[●]
Fees payable to Registrar to the Issue	[●]	[●]	[●]
Fees payable to auditors, market research firms and other consultants / professionals	[●]	[●]	[●]
<b>Other Expenses</b>			
Listing fees, upload fees, BSE, book building software fees and other regulatory expenses	[●]	[●]	[●]
Advertising and marketing expenses	[●]	[●]	[●]
Printing and stationery expenses, distribution, and postage	[●]	[●]	[●]
Fees payable to Legal Advisors to the Issue	[●]	[●]	[●]
Miscellaneous	[●]	[●]	[●]
Regulatory and other expenses including Listing Fee	[●]	[●]	[●]
<b>Total estimated Issue expenses</b>	[●]	[●]	[●]

\* Issue expenses include taxes, where applicable. Issue expenses will be incorporated at the time of filing of the Prospectus. Issue expenses are estimates and are subject to change.

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

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

<sup>^</sup> Amount Allotted is the product of the number of Equity Shares Allotted and the Issue Price

No additional bidding charges shall be payable by the Company to the SCSBs on the applications directly procured by them. The selling commission payable to the SCSBs will be determined on the basis of the bidding terminal ID as captured in the bid book of BSE or NSE.

Processing fees payable to the SCSBs on the portion for Retail Individual Bidder and Non-Institutional Bidders (excluding UPI Bids) which are procured by the members of the Syndicate / sub-Syndicate / Registered Broker / RTAs / CDPs and submitted to SCSB for blocking would be as follows:

Portion for Retail Individual Bidders <sup>^</sup>	Rs. [●] per valid Bid cum Application Form (plus applicable taxes)*
Portion for Non-Institutional Bidders <sup>^</sup>	Rs. [●] per valid Bid cum Application Form (plus applicable taxes)*

\* For each valid application

Notwithstanding anything contained above, the total processing fee payable under this clause will not exceed Rs. [●] lakhs (plus applicable taxes) and in case if the total processing fees exceeds Rs. [●] lakhs (plus applicable taxes) then processing fees will be paid on pro-rata basis for portion of Retail Individual Investors and Non-Institutional Investors, as applicable.

Brokerage, selling commission and processing/ uploading charges on the portion for Retail Individual Investors and Non-Institutional Investors (excluding UPI Bids) which are procured by Members of the Syndicate (including their sub-Syndicate Members), RTAs and CDPs or for using 3-in-1 type accounts-linked online trading, demat & bank account provided by some of the Registered Brokers which are Members of the Syndicate (including their sub-Syndicate members) would be as follows:

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

<sup>^</sup> Amount Allotted is the product of the number of Equity Shares Allotted and the Issue Price

The selling commission payable to the Syndicate/sub-Syndicate members will be determined (i) for RIIs, NIIs (up to Rs. [●] lakhs) on the basis of the application form number/series, provided that the application is also bid by the respective

*Syndicate/sub-Syndicate member. For clarification, if a Syndicate ASBA application on the application form number/series of a Syndicate/sub-Syndicate member, is bid by an SCSB, the selling commission will be payable to the SCSB and not the Syndicate/sub-Syndicate member; (ii) for NIIs (above Rs. [●] lakhs), Syndicate ASBA Form bearing SM code and sub-Syndicate code of the application form submitted to SCSBs for blocking of the fund and uploading on the exchange platform by SCSBs. For clarification, if a Syndicate ASBA application on the application form number / series of a Syndicate / sub-Syndicate member, is bid by an SCSB, the selling commission will be payable to the Syndicate / sub-Syndicate members and not the SCSB.*

*Bidding charges payable to members of the Syndicate (including their sub-Syndicate members) on the applications made using 3-in-1 accounts would be Rs. 10 plus applicable taxes, per valid application bid by the Syndicate (including their sub-Syndicate members). Bidding charges payable to SCSBs on the QIB Portion and NIIs (excluding UPI Bids) which are procured by the Syndicate/sub-Syndicate/Registered Broker/RTAs/ CDPs and submitted to SCSBs for blocking and uploading would be Rs. [●] per valid application (plus applicable taxes).*

*Bidding charges payable on the application made using 3-in-1 accounts will be subject to a maximum cap of Rs. [●] lakhs (plus applicable taxes), in case if the total processing fees exceeds Rs. [●] lakhs (plus applicable taxes) then processing fees will be paid on pro-rata basis for portion of Retail Individual Investors and Non-Institutional Investors, as applicable.*

*The selling commission and bidding charges payable to Registered Brokers, the RTAs and CDPs will be determined on the basis of the bidding terminal ID as captured in the bid book of BSE or NSE.*

*Selling commission/ bidding charges payable to the Registered Brokers on the portion for Retail Individual Investors and Non-Institutional Investor which are directly procured by the Registered Broker and submitted to SCSB for processing, would be as follows:*

<i>Portion for Retail Individual Bidders<sup>^</sup></i>	<i>Rs. [●] per valid Bid cum Application Form (plus applicable taxes)*</i>
<i>Portion for Non-Institutional Bidders<sup>^</sup></i>	<i>Rs. [●] per valid Bid cum Application Form (plus applicable taxes)*</i>

*\* For each valid application.*

*The Processing fees for applications made by Retail Individual Bidders or Individual investors bidding under the Non-Institutional Portion for an amount of more than Rs. [●] lakhs and up to Rs. [●] lakhs using the UPI Mechanism would be as follows:*

<i>[●]</i>	<i>Rs. [●] per valid Bid cum Application Form* (plus applicable taxes)</i>  <i>The Sponsor Banks shall be responsible for making payments to the third parties such as remitter bank, NCPI and such other parties as required in connection with the performance of its duties under the SEBI circulars, the Syndicate Agreement and other applicable laws.</i>
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*\* For each valid application.*

*All such commissions and processing fees set out above shall be paid as per the timelines in terms of the Syndicate Agreement and Cash Escrow and Sponsor Bank Agreement.*

*Pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, applications made using the ASBA facility in initial public issuing (opening on or after September 1, 2022) shall be processed only after application monies are blocked in the bank accounts of investors (all categories). Accordingly, Syndicate / sub-Syndicate Member shall not be able to Bid the Application Form above Rs. 5 lakhs and the same Bid cum Application Form need to be submitted to SCSB for blocking of the fund and uploading on the Stock Exchange bidding platform. To identify bids submitted by Syndicate / sub-Syndicate Member to SCSB a special Bid-cum-application form with a heading / watermark “Syndicate ASBA” may be used by Syndicate / sub-Syndicate Member along with SM code and broker code mentioned on the Bid-cum Application Form to be eligible for brokerage on allotment. However, such special forms, if used for RIB and NIB bids up to Rs. 5 lakhs will not be eligible for brokerage.*

*The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/570 dated June 02, 2021 read with SEBI Circular No:*

*SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 and such payment of processing fees to the SCSBs shall be made in compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022.*

### **Interim use of the Net Proceeds**

Our Company, in accordance with the applicable law, policies established by our Board from time to time and in order to attain the Objects set out above, will have flexibility to deploy the Net Proceeds. Pending utilisation of the Net Proceeds for the purposes described in this section, our Company may temporarily invest the Net Proceeds in deposits in one or more scheduled commercial banks included in the Second Schedule of the Reserve Bank of India Act, 1934, as may be approved by our Board. In accordance with Section 27 of the Companies Act, our Company confirms that, other than as specified in this section for the purposes of the Objects, it shall not use the Net Proceeds for buying, trading or otherwise dealing in equity securities or any equity linked securities.

### **Appraising entity**

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

### **Bridge financing facilities**

Our Company has not raised any bridge loans from any bank or financial institution as of the date of the Draft Red Herring Prospectus, which are proposed to be repaid from the Net Proceeds.

### **Monitoring of utilisation of funds**

As the Net Proceeds of the Issue will be less than ₹ 10,000 Lakhs, under the SEBI ICDR Regulations it is not mandatory for us to appoint a monitoring agency.

Our Board and the management will monitor the utilization of the Net Proceeds through our 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 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.

### **Variation in Objects**

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

### **Other confirmations**

No part of the Net Proceeds will be utilized by our Company as consideration to our Promoters, members of our Promoter Group, our Directors, or Key Managerial Personnel, Senior Management or Group Companies. Our Company has not entered into or is not planning to enter into any arrangement / agreements with our Directors, our Promoters, the members of our Promoter Group, the Key Managerial Personnel or Senior Management in relation to the utilization of the Net Proceeds of the Issue. Further, except in the ordinary course of business, there is no existing or anticipated interest of such individuals and entities in the Objects of the Issue as set out above.

## BASIS FOR ISSUE PRICE

The Issue Price is determined by our Company in consultation with the Book Running Lead Manager. The financial data presented in this section are based on our Company's restated financial statements. Investors should also refer to the sections titled '**Risk Factors**' and '**Financial Information**' on pages 23 and 160, respectively, to get a more informed view before making the investment decision.

### **Qualitative Factors**

For details of Qualitative factors please refer to the paragraph "**Our Competitive Strengths**" in "**Our Business**" beginning on page 111.

### **Quantitative Factors (Based on Standalone Financial Statements)**

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

Period	Basic and Diluted EPS (₹)**	Weights
FY 2024	8.19	3
FY 2023	1.23	2
FY 2022	0.64	1
<b>Weighted Average</b>	<b>4.61</b>	
For the period ended on December 31, 2025#	<b>6.71</b>	

# non-annualized

\*\*Considering bonus allotment made on December 13, 2024 in all the above Financial Years or periods.

Notes:

1. Basic EPS and Diluted EPS calculations are in accordance with Accounting Standard 20 (AS-20) 'Earnings per Share', notified under Section 133 of Companies Act, 2013 read together along with paragraph 7 of the Companies (Accounts) Rules, 2014.
2. Basic Earnings per share = Net profit/(loss) after tax, as restated attributable to equity shareholders /Weighted average number of shares outstanding during the year/ period.
3. Diluted Earnings per share = Net profit after tax, as restated / Weighted average number of diluted equity shares outstanding during the year/ period.
4. The figures disclosed above are based on the Restated Consolidated Financial Statements of our Company.

#### **2. Price to Earnings (P/E) ratio in relation to Issue Price of ₹ [●]:**

- a. Based on the basic and diluted EPS of ₹8.19 as per restated financial statements for the FY 2024, the P/E ratio is [●].
- b. Based on the weighted average EPS of ₹4.61, as per restated financial statements the P/E ratio is [●].
- c. Industry P/E

### **Industry P/E**

Particulars	Industry P/E
▪ Highest	53.03
▪ Lowest	27.64
▪ Average	36.51

Notes:

(1) The industry high and low has been considered from the peer group companies provided later in this section. The industry average has been calculated as the arithmetic average P/E of the industry peer set disclosed in this section. For further details, please see the paragraph entitled "**Peer Competitors – Comparison of Accounting Ratios**" at point 6 below.

#### **3. Return on Net Worth (RONW)**

Period	Return on Net Worth (%)	Weights
FY 2024	50.81%	3

Period	Return on Net Worth (%)	Weights
FY 2023	15.49%	2
FY 2022	9.53%	1
<b>Weighted Average</b>	<b>30.57%</b>	
For the period ended on December 31, 2025#	<b>27.68%</b>	

#non-annualized

#### 4. Minimum Return on increased Net Worth required to maintain pre-Issue EPS.

The minimum return on increased net worth required maintaining pre-Issue EPS:

A) Based on weighted average EPS of ₹4.61

At the Issue Price of ₹ [●]: [●]% based on restated financial statements.

B) Based on Basic and Diluted EPS for the FY 2024 of ₹8.19

At the Issue Price of ₹ [●]: [●]% based on restated financial statements.

#### 5. Net Asset Value per Equity Share

- As at March 31, 2022 ₹6.70\*
- As at March 31, 2023 ₹7.92\*
- As at March 31, 2024 ₹16.11\*
- As at December 31, 2024 ₹22.27\*
- NAV per Equity Share after the Issue is : ₹[●]
- Issue Price per Equity Share is: ₹[●]

\*Adjusted Considering bonus allotment made on December 13, 2024.

#### 6. Peer Competitors - Comparison of Accounting Ratios

Name of the Company	CMP* (₹)	Face Value (₹)	EPS (₹)	P/E# Ratio	RONW (%)	NAV (₹)	Price / NAV	Total Revenue (₹ crore)	M Cap (₹ crore)	Mcap / Sales
Chatterbox***	[●]	10	8.19	[●]	50.81%	16.11	[●]	55.37	[●]	[●]
R K Swamy**	244.85	5	8.86	27.64	16.46%	47.81	5.12	335.39	1,235.94	3.69
Digicentent**	52.50	2	0.99	53.03	499.13%	0.20	265.64	417.29	305.48	0.73
Vertoz** & #	10.97	1	0.38	28.87	10.18%	4.41	2.49	156.95	934.97	5.96

# Adjusted for 1:1 Bonus and 10 to 1 Split

\* Source : Issue Price for Chatterbox and others closing market price on February 04, 2025 on BSE / NSE

\*\* Source: Data for peer group companies is sourced from Annual Report / published financial statement based on standalone financials for FY 2024 adjusted for corporate actions done after that, as applicable.

# P/E Ratio is computed by dividing the CMP by EPS available in published financials.

\*\*\*Chatterbox financials are based on March 31, 2024

Since we are a Company engaged in influencer and digital marketing and social media management sector. Most of the listed Companies in the sector are very large compared to us and may have product portfolio larger than ours, hence we have considered the listed Companies which are in the similar line of business as ours is considered above for comparison.

#### 7. Key Operational and Financial Performance Indicators:

The KPIs disclosed below have been used historically by our Company to understand and analyze the business performance, which in result, help us in analyzing the growth of our Company in comparison to our peers.

The KPIs disclosed below have been approved by a resolution of our Audit Committee dated February 04, 2025 and the members of the Audit Committee have verified the details of all KPIs pertaining to our Company. Further, the members of the Audit Committee have confirmed that there are no KPIs pertaining to our Company that have been disclosed to any investors at any point of time during the three years period prior to the date of filing of this Draft Red Herring Prospectus. Further, the KPIs herein have been certified by M/s. Joy Mukherjee & Associates, Chartered Accountants, by their certificate dated February 19, 2025 (UDIN: 25419374BMOHKA6684).

The KPIs of our Company have been disclosed in the sections titled “***Our Business***” and “***Management’s Discussion and Analysis of Financial Condition and Results of Operations – Key Performance Indicators***” on pages 111 and 190, respectively. We have described and defined the KPIs, as applicable, in “***Definitions and Abbreviations***” on page 1.

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

#### Financial KPIs of our Company

(₹ in lakhs, except for percentage)

Particulars	31.12.2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Total Revenue	4,500.19	5,536.97	4,019.99	3,198.38
EBITDA <sup>(1)</sup>	864.35	1,206.83	138.31	84.72
EBITDA margin (%) <sup>(2)</sup>	19.21%	21.80%	3.44%	2.65%
PAT	642.33	852.62	127.84	66.44
PAT Margin (%)	14.27%	15.40%	3.18%	2.08%
Net Debt <sup>(3)</sup>	-258.35	-152.94	-259.53	-657.01
Total Equity	1,041.66	12.86	12.86	12.86
Networth	2,320.27	1,677.94	825.32	697.48
RONW (%) <sup>(4)</sup>	27.68%	50.81%	15.49%	9.53%
EPS (Basic & Diluted) <sup>(5)</sup>	6.17	8.19	1.23	0.64

<sup>(1)</sup>EBITDA = Profit before tax + depreciation & amortization expense + finance cost.

<sup>(2)</sup>EBITDA Margin = EBITDA/ Total income.

<sup>(3)</sup>Net debt = Non-current borrowing + current borrowing - Cash and Bank Balances.

<sup>(4)</sup>RONW = Profit after tax / Networth

<sup>(5)</sup>EPS = Net Profit after tax, as restated, attributable to equity shareholders divided by equity shares outstanding at the year/period.

#### Explanation for KPI metrics

KPI	Explanations
Revenue from Operations	Revenue from Operations is used by our management to track the revenue profile of the business and in turn helps assess the overall financial performance of our Company and size of our business.
Total income	Total income is used by the management to track revenue from operations and other income.
EBITDA	EBITDA provides information regarding the operational efficiency of the business.
EBITDA Margin (%)	EBITDA Margin (%) is an indicator of the operational profitability and financial performance of our business.
PAT	Profit after tax provides information regarding the overall profitability of the business.
PAT Margin (%)	PAT Margin (%) is an indicator of the overall profitability and financial performance of our business.

Net Debt	Net Debt is an indicator of the Company's obligations to lenders net of liquid cash assets
Net Worth	Net worth is used by the management to ascertain the total value created by the entity and provides a snapshot of current financial position of the entity.
RONW (%)	RONW provides how efficiently our Company generates earnings from the equity capital employed in the business.

8. Set forth below are the details of comparison of key performance of indicators with our listed industry peers:

**R K Swamy Limited**

(₹ in lakhs, except for percentage)

Parameters	30.09.2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Total Revenue	13,962.65	33,539.15	29,995.80	24,497.10
EBITDA <sup>(1)</sup>	1,311.75	7,428.50	6,290.79	4,442.20
EBITDA margin (%) <sup>(2)</sup>	9.39%	22.15%	20.97%	18.13%
PAT	269.72	3,972.48	3,126.00	1,925.50
PAT Margin (%)	1.93%	11.84%	10.42%	7.86%
Net Debt <sup>(3)</sup>	-11,959.46	-24,947.00	-916.90	-6,449.90
Total Equity	2,523.87	2,523.87	444.57	408.00
Networth	23,362.23	24,134.87	4,523.07	1,634.90
RONW (%) <sup>(4)</sup>	1.15%	16.46%	69.11%	117.77%
EPS (Basic & Diluted) <sup>(5)</sup>	0.53	8.86	7.03	4.33
Face Value (Rs.)	5	5	5	5

**Digicontent Limited**

(₹ in lakhs, except for percentage)

Parameters	31.12.2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Total Revenue	33,342.00	41,729.00	35,476.00	33,299.00
EBITDA <sup>(1)</sup>	4,968.00	4,871.00	2,035.00	6,182.00
EBITDA margin (%) <sup>(2)</sup>	14.90%	11.67%	5.74%	18.57%
PAT	1,809.00	574.00	-1,285.00	2,105.00
PAT Margin (%)	5.43%	1.38%	-3.62%	6.32%
Net Debt <sup>(3)</sup>	NA	8,295.00	7,440.00	5,202.00
Total Equity	1,164.00	1,164.00	1,164.00	1,164.00
Networth	NA	115.00	-593.00	-1,356.00
RONW (%) <sup>(4)</sup>	NA	499.13%	216.69%	-155.24%
EPS (Basic & Diluted) <sup>(5)</sup>	3.11	0.99	-2.21	3.62
Face Value (Rs.)	2	2	2	2

**Vertoz Limited**

(₹ in lakhs, except for percentage)

Parameters	30.09.2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Total Revenue	12,735.46	15,694.74	8,376.19	4,260.99
EBITDA <sup>(1)</sup>	1,930.21	2,306.03	1,800.39	1,180.39
EBITDA margin (%) <sup>(2)</sup>	15.16%	14.69%	21.49%	27.70%
PAT	1,230.41	1,611.77	1,103.68	610.35
PAT Margin (%)	9.66%	10.27%	13.18%	14.32%



Net Debt <sup>(3)</sup>	135.33	342.35	174.91	565.71
Total Equity	8,523.00	4,203.00	1,197.00	1,197.00
Networth	17,435.30	15,836.50	10,245.66	6,630.27
RONW (%) <sup>(4)</sup>	7.06%	10.18%	10.77%	9.21%
EPS (Basic & Diluted) Face Value Rs.10 <sup>(5)</sup>	0.14	10.04	9.22	5.10
EPS (Basic & Diluted) adjusted for Face Value Re. 1	0.14	0.38	0.92	0.51
Face Value (Rs.)	1	1	1	1

Note: (1) Source: All the financial information for listed industry peers mentioned above is sourced from the regulatory filings made by aforesaid companies to stock exchanges for the respective years / period to compute the corresponding financial ratios.

<sup>(1)</sup>EBITDA = Profit before tax + depreciation & amortization expense + finance cost.

<sup>(2)</sup>EBITDA Margin = EBITDA/ Total income.

<sup>(3)</sup>Net debt = Non-current borrowing + current borrowing - Cash and Bank Balance.

<sup>(4)</sup>RONW = Profit after tax / Networth

<sup>(5)</sup>EPS = Net Profit after tax, as restated, attributable to equity shareholders divided by equity shares outstanding at the year/period.

## 9. Weighted average cost of acquisition

### a) The price per share of our Company based on the primary/ new issue of shares (equity / convertible securities)

Other than as mentioned below, there has been no issuance of Equity Shares or convertible securities, during the 18 months period preceding the date of this Draft Red Herring Prospectus, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of the Company.

Date of allotment	No. of equity shares allotted	Face value per equity share (₹)	Issue price per equity share (₹)	Nature of allotment	Nature of consideration	Total Consideration (in ₹ lakhs)
December 13, 2024	1,02,88,000	10	0	Bonus Issue in the ratio of 80:1	Other than Cash	Nil
<b>Weighted average cost of acquisition (WACA)</b>						<b>Nil</b>

### b) The price per share of our Company based on the secondary sale / acquisition of shares (equity / convertible securities)

Except as disclosed below, there have been no secondary sale / acquisitions of Equity Shares or any convertible securities, where the promoters, members of the promoter group or shareholder(s) having the right to nominate director(s) in the board of directors of the Company are a party to the transaction (excluding gifts), during the 18 months preceding the date of this certificate, where either acquisition or sale is equal to or more than 5% of the fully diluted paid up share capital of the Company (calculated based on the pre-Offer capital before such transaction/s and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days:

Date of Allotment / Transfer	Nature of acquisition (Allotment/ Acquired/ transfer)	Number of Equity Shares	Face Value per Equity Share (in ₹)	Issue Price /Acquisition Price / Transfer price per Equity Share (in ₹)	Total Consideration (in ₹ lakhs)
<b>QYOU Media Inc.</b>					
December 03, 2024	Transfer to QMIPL	(23,153)	10	3903.00	-903.66
December 03, 2024	Gift to Rajnandan Mishra	(12,600)	10	Nil	0.00

Date of Allotment / Transfer	Nature of acquisition (Allotment/ Acquired/ transfer)	Number of Equity Shares	Face Value per Equity Share (in ₹)	Issue Price /Acquisition Price / Transfer price per Equity Share (in ₹)	Total Consideration (in ₹ lakhs)
December 10, 2024	Acquisition*	142	10	27,126.37	38.52
December 11, 2024	Acquisition*	2,363	10	27,124.52	640.95
December 20, 2024	Acquisition*	5,184	10	334.89	17.36
February 04, 2025	Gift to Rajnandan Mishra	(3,96,900)	10	Nil	0.00
<b>Rajnandan Mishra</b>					
December 03, 2024	Gift from QYOU Media Inc.	12,600	10	Nil	0.00
February 04, 2025	Gift from QYOU Media Inc.	3,96,900	10	Nil	0.00
<b>QYOU Media India Private Limited</b>					
December 03, 2024	Acquired from QYOU Media Inc.	23,153	10	3903.00	903.66
December 03, 2024	Transfer to Virtuous Capital Ltd. (VCL)	(3,863)	10	3903.00	-150.77
December 03, 2024	**	(5)	10	3903.00	-0.20
December 20, 2024	Transfer to Virtuous Capital Ltd. (VCL)	(6,24,996)	10	48.19	-301.19
February 01, 2025	Transfer to Virtuous Capital Ltd. (VCL)	(9,37,494)	10	48.19	-451.78
<b>TOTAL</b>		<b>(15,58,669)</b>			<b>-207.10</b>

\* Considered Nil as net cost of acquisition is negative.

\*\* Cost of acquisition is NIL as the same is acquired by way of Gift and Bonus shares.

For more details of Transfer/ acquisition of shares, please refer to Note 10(a) of the section “*Capital Structure*” beginning on page 62.

**c) Weighted average cost of acquisition, issue price**

Types of transactions	Weighted average cost of acquisition (₹ per Equity Share)	Issue price (i.e. ₹ [●])
Weighted average cost of acquisition of primary / new issue as per paragraph 9(a) above.	Nil	N.A.
Weighted average cost of acquisition for secondary sale / acquisition as per paragraph 9(b) above.	Nil*	N.A.

\* Considered Nil as net cost of acquisition is negative.

The face value of Equity Shares of our Company is ₹10 per Equity Share and the Issue price of ₹ [●] is [●] times of the face value.

The Issue Price of ₹ [●] is determined by our Company, in consultation with the Book Running Lead Manager is justified based on the above accounting ratios. For further details, please refer to the section titled ‘*Risk Factors*’, and chapters titled ‘*Our Business*’ and ‘*Financial Information*’ beginning on page 111 and 160, respectively of the Draft Red Herring Prospectus.

## STATEMENT OF TAX BENEFITS

### STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO CHATTERBOX TECHNOLOGIES LIMITED AND IT'S SHAREHOLDERS UNDER THE APPLICABLE LAWS IN INDIA

To,  
**The Board of Directors**  
**Chatterbox Technologies Limited**  
Unit No. 101 VIP Plaza Cooperative Premises Society Ltd,  
Andheri New Link Road, Opp Infinity Mall Behind Crystal Plaza,  
Andheri, Mumbai - 400053, Maharashtra, India

Dear Sirs,

**Sub: Statement of Possible Special Tax Benefits ('the Statement') available to Chatterbox Technologies Limited and its Shareholders prepared in accordance with the requirements under Schedule VI-Clause 9L of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended (the 'Regulations')**

We hereby confirm that the enclosed annexure, prepared by the Company states the possible special tax benefits available to the Company and the shareholders of the Company under the Income – tax Act, 1961 ("The Act") as amended time to time, presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company or its shareholder to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business, the company may or may not choose to fulfil.

The benefits discussed in the enclosed Annexure cover only special tax benefits available to the Company and its Shareholders and do not cover any general tax benefits. Further, these benefits are neither exhaustive nor conclusive and the preparation of the contents stated is the responsibility of the Company's Management. We are informed that this statement is only intended to provide general information to the investors and hence is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue. We are neither suggesting nor are we advising the investor to invest money or not to invest money based on this statement.

Our views are based on the existing provisions of the Act and its interpretations, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. Any such change, which could also be retroactive, could have an effect on the validity of our views stated herein. We assume no obligation to update this statement on any events subsequent to its issue, which may have a material effect on the discussions herein.

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

- The Company or its Shareholders will continue to obtain these benefits in future or
- The conditions prescribed for availing the benefits, where applicable have been/would be met.

The contents of this annexure are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company and the provisions of the tax laws.

No assurance is given that the revenue authorities / courts will concur with the views expressed herein. The views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We would not assume responsibility to update the view, consequence to such change.

We shall not be liable to Company for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith of intentional misconduct.

The enclosed Annexure is intended solely for your information and for inclusion in the Draft Red Herring Prospectus/Draft Red Herring Prospectus or any other issue related material in connection with the proposed issue of equity shares and is not to be used, referred to or distributed for any other purpose without our prior written consent.

**Signed in terms of our separate report of even date**

**For Joy Mukherjee and Associates,**

Chartered Accountants

**Firm Registration No.:** 006792C

**Sd/-**

**Joy Mukherjee**

**Partner**

**Membership Number:** 074602

**Place:** Lucknow

**Date:** February 19, 2025

**UDIN:** 25419374BMOHKG9276

## **Annexure**

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

Outlined below are the possible Special tax benefits available to the Company and its shareholders under the Income Tax Act, 1961 presently in force in India. It is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Investors are advised to consult their own tax consultant with respect to the tax implications of an investment in the Equity Shares particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have different interpretation on the benefits, which an investor can avail.

YOU SHOULD CONSULT YOUR OWN TAX ADVISORS CONCERNING THE INDIAN TAX IMPLICATIONS AND CONSEQUENCES OF PURCHASING, OWNING AND DISPOSING OF EQUITY SHARES IN YOUR PARTICULAR SITUATION.

#### **A. SPECIAL TAX BENEFITS TO THE COMPANY UNDER THE INCOME TAX ACT, 1961 (THE “ACT”)**

The Company is not entitled to any special tax benefit.

#### **B. SPECIAL TAX BENEFITS TO THE SHAREHOLDERS UNDER THE INCOME TAX ACT, 1961 (THE “ACT”)**

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

#### **Notes:**

- All the above benefits are as per the current tax laws and will be available only to the sole/first name holder where the shares are held by joint holders.
- 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.

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. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement.

## SECTION V: ABOUT THE COMPANY

### INDUSTRY OVERVIEW

*The information in this section has been extracted from reports publicly available documents and information, including, but not limited to, materials issued or commissioned by the Government of India and certain of its ministries, trade and industry-specific publications and other relevant third-party sources.*

*Industry websites and publications generally state that the information contained therein has been obtained from sources believed to be reliable, but their accuracy and completeness are not guaranteed, and their reliability cannot be assured. While the Company has exercised reasonable care in relying on such government, industry, market and other relevant data in this document, it has not been independently verified by the Company or any of its advisors, nor the Book Running Lead Manager or any of its respective advisors, and should not be relied on as if it had been so verified.*

### INDIAN ECONOMY OVERVIEW

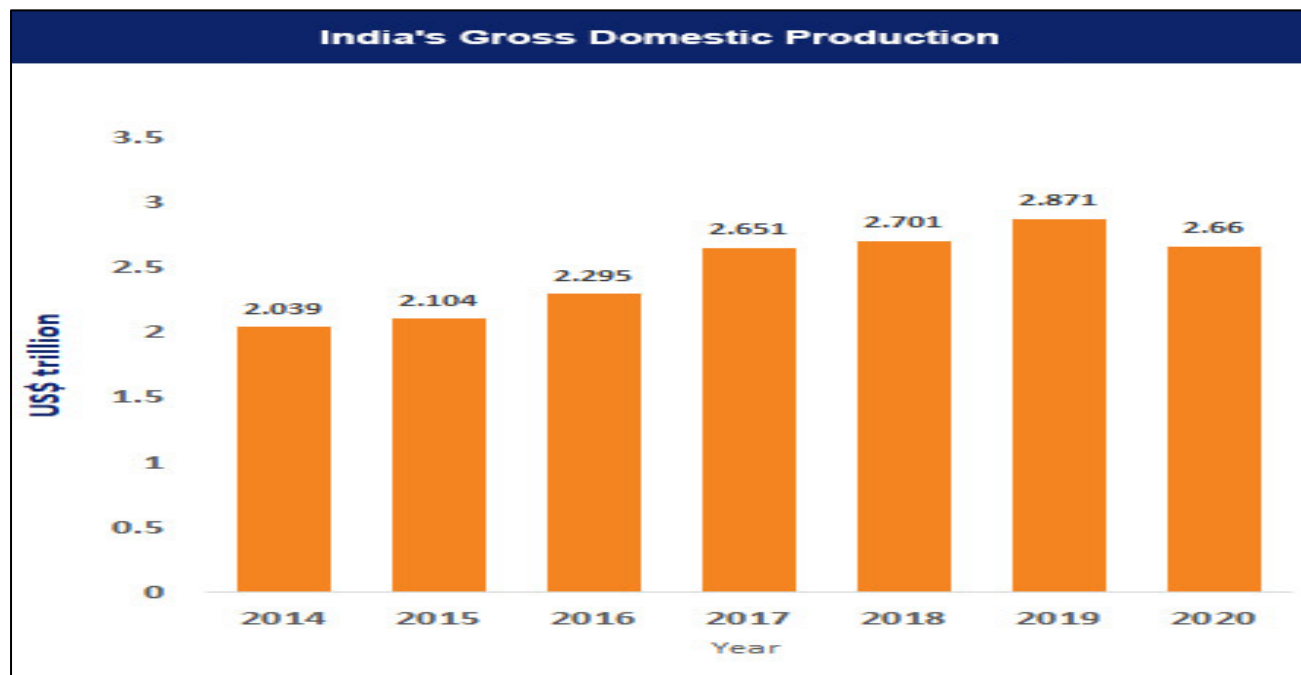
Source: <https://www.ibef.org/economy/indian-economy-overview>

### INTRODUCTION

Strong economic growth in the first quarter of FY23 helped India overcome the UK to become the fifth-largest economy after it recovered from the COVID-19 pandemic shock. Nominal GDP for Q2 FY25 is estimated at Rs. 76.60 lakh crore (US\$ 886.16 billion) with growth rate of 8.0%, compared to Rs. 70.90 lakh crore (US\$ 820.22 billion) for Q2 FY24. The growth in nominal GDP during 2023-24 is estimated at 9.6% as compared to 14.2% in 2022-23. Strong domestic demand for consumption and investment, along with Government's continued emphasis on capital expenditure are seen as among the key driver of the GDP in the second half of FY24. During the period April-December 2024, India's exports stood at Rs. 27.56 lakh crore (US\$ 318.96 billion), with Engineering Goods (27.32%), Petroleum Products (14.59%) and Electronic Goods (8.19%) being the top three exported commodity. Rising employment and increasing private consumption, supported by rising consumer sentiment, will support GDP growth in the coming months.

Future capital spending of the government in the economy is expected to be supported by factors such as tax buoyancy, the streamlined tax system with low rates, a thorough assessment and rationalisation of the tariff structure, and the digitization of tax filing. In the medium run, increased capital spending on infrastructure and asset-building projects is set to increase growth multipliers. The contact-based services sector has demonstrated promise to boost growth by unleashing the pent-up demand. The sector's success is being captured by a number of HFIs (High-Frequency Indicators) that are performing well, indicating the beginnings of a comeback.

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



India's appeal as a destination for investments has grown stronger and more sustainable because of the current period of global unpredictability and volatility, and the record amounts of money raised by India-focused funds in 2022 are evidence of investor faith in the "Invest in India" narrative.

## MARKET SIZE

Real GDP for Q2 of FY25 is estimated at Rs. 44.10 lakh crores (US\$ 509.36 billion) with growth rate of 5.4%, compared to Rs. 41.86 lakh crore (US\$ 484.27 billion) for Q2 of 2023-24. The growth in real GDP during 2023-24 is estimated at 8.2% as compared to 7.0% in 2022-23. There are 113 unicorn startups in India, with a combined valuation of over US\$ 350 billion. As many as 14 tech startups are expected to list in 2024 Fintech sector poised to generate the largest number of future unicorns in India. With India presently has the third-largest unicorn base in the world. The government is also focusing on renewable sources by achieving 40% of its energy from non-fossil sources by 2030. India is committed to achieving the country's ambition of Net Zero Emissions by 2070 through a five-pronged strategy, 'Panchamrit'. Moreover, India ranked 3rd in the renewable energy country attractive index.

According to the McKinsey Global Institute, India needs to boost its rate of employment growth and create 90 million non-farm jobs between 2023 to 2030 in order to increase productivity and economic growth. The net employment rate needs to grow by 1.5% per annum from 2023 to 2030 to achieve 8-8.5% GDP growth between same time periods. India's Current Account Deficit (CAD) narrowed to 0.7% of GDP in FY24. The CAD stood at Rs. 96,790 crore (US\$ 11.2 billion) for Q2 of FY25 from Rs. 97,655 crore (US\$ 11.3 billion) in Q2 of FY24 or 1.3% of GDP. This was largely due to decrease in merchandise trade deficit.

Exports fared remarkably well during the pandemic and aided recovery when all other growth engines were losing steam in terms of their contribution to GDP. Going forward, the contribution of merchandise exports may waver as several of India's trade partners witness an economic slowdown. According to Minister of Commerce and Industry, Consumer Affairs, Food and Public Distribution and Textiles Mr. Piyush Goyal, Indian exports are expected to reach US\$ 1 trillion by 2030.

## RECENT DEVELOPMENTS

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

to boost the economy. In view of this, there have been some developments that have taken place in the recent past. Some of them are mentioned below:

- According to HSBC Flash India PMI report, business activity surged in April to its highest level in about 14 years as well as sustained robust demand. The composite index reached 62.2, indicating continuous expansion since August 2021, alongside positive job growth and decreased input inflation, affirming India's status as the fastest-growing major economy.
- According to a report by the State Bank of India (SBI), domestic investment announcements in India have experienced a substantial increase, exceeding Rs. 37 lakh crore (US\$ 428.04 billion) in FY23 and FY24.
- According to data from the Directorate General of Civil Aviation (DGCA), India's domestic air passenger traffic increased by 6.12% in 2024, reaching a total of 161.3 million passengers. This growth follows a substantial YoY increase of 23.36% in 2023, attributed to the ongoing recovery from the pandemic.
- As of January 10, 2025, India's foreign exchange reserves stood at Rs. 53,80,402 crore (US\$ 625.871 billion).
- In 1H 2024, India saw a total of US\$ 31.5 billion in PE-VC investments.
- India secured 39th position out of 133 economies in the Global Innovation Index 2024. India rose from 81st position in 2015 to 39th position in 2024. India ranks 3rd position in the global number of scientific publications.
- The gross GST (Goods and Services Tax) revenue collection stood at Rs. 1.77 lakh crore (US\$ 20.45 billion) in December 2024.
- Between April 2000–September 2024, cumulative FDI equity inflows to India stood at Rs. 89.30 lakh crore (US\$ 1,033.40 billion).
- In November 2024, the overall IIP (Index of Industrial Production) stood at 148.4. The Indices of Industrial Production for the mining, manufacturing and electricity sectors stood at 133.8, 147.4 and 184.1, respectively.
- According to data released by the Ministry of Statistics & Programme Implementation (MoSPI), India's Consumer Price Index (CPI) – Combined inflation was 5.22% in December 2024 against 5.69% in December 2023.
- Foreign Institutional Investors (FII) inflows between April-July (2023-24) were close to Rs. 80,500 crore (US\$ 9.67 billion), while Domestic Institutional Investors (DII) sold Rs. 4,500 crore (US\$ 540.56 million) in the same period. As per depository data, Foreign Portfolio Investors (FPIs) invested (US\$ 13.89 billion) in India during January - (up to 15th July) 2024.
- The wheat procurement during Rabi Marketing Season (RMS) 2024-25 (till May) was estimated to be 266 lakh metric tonnes (LMT) and the rice procured in Kharif Marketing Season (KMS) 2024-25 was 400 LMT.

## GOVERNMENT INITIATIVES

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

## ROAD AHEAD

In the second quarter of FY24, the growth momentum of the first quarter was sustained, and high-frequency indicators (HFIs) performed well in July and August of 2023. India's comparatively strong position in the external sector reflects the country's positive outlook for economic growth and rising employment rates. India ranked 5th in foreign direct investment inflows among the developed and developing nations listed for the first quarter of 2022.

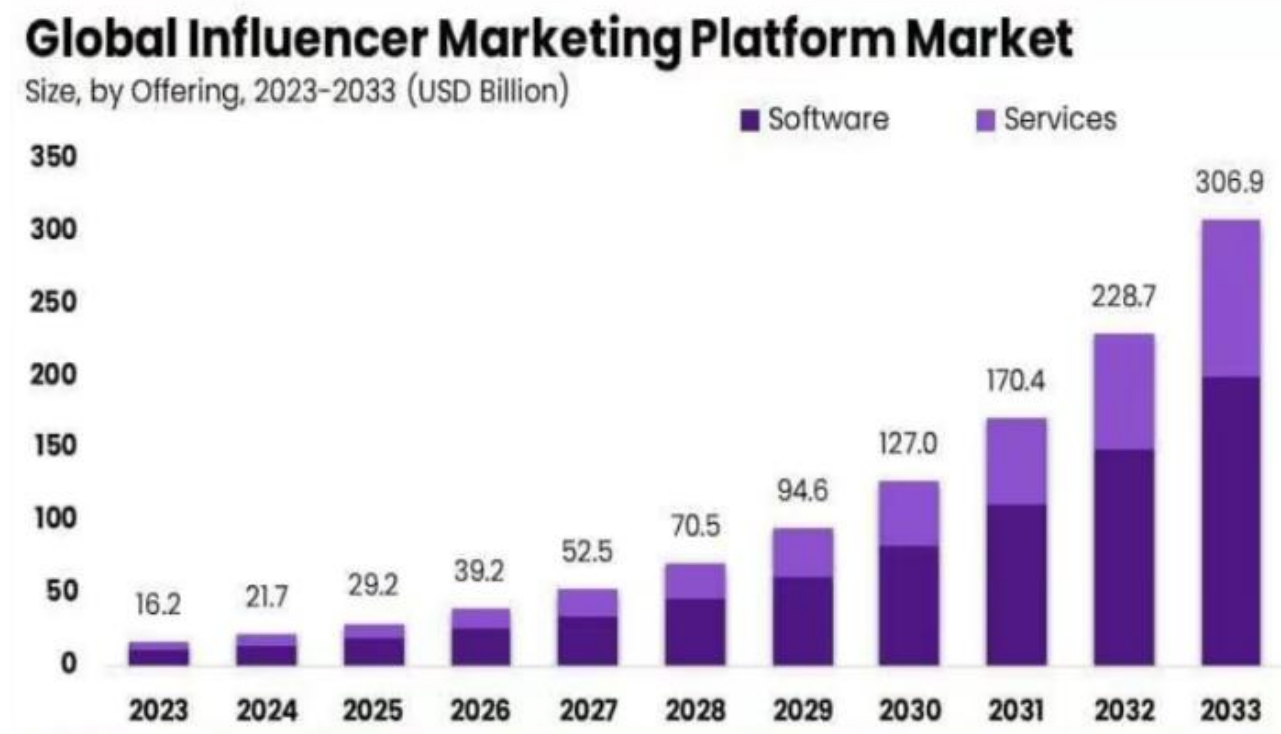
India's economic story during the first half of the current financial year highlighted the unwavering support the government gave to its capital expenditure, which, in 2023-24, stood 37.4% higher than the same period last year. In the budget of 2023-24, capital expenditure took lead by steeply increasing the capital expenditure outlay by 37.4 % in BE 2023-24 to Rs.10 lakh crore (US\$ 120.12 billion) over Rs. 7.28 lakh crore (US\$ 87.45 billion) in RE 2022-23. The ratio of revenue expenditure to capital outlay increased by 1.2% in the current year, signalling a clear change in favour of higher-quality spending. Stronger revenue generation because of improved tax compliance, increased profitability of the company, and increasing economic activity also contributed to rising capital spending levels. In February 2024, the Finance Ministry announced the total expenditure in Interim 2024-25 estimated at Rs. 47,65,768 crore (US\$ 571.64 billion) of which total capital expenditure is Rs. 11,11,111 crore (US\$ 133.27 billion).



Since India's resilient growth despite the global pandemic, India's exports climbed at the second-highest rate with a year-over-year (YoY) growth of 8.39% in merchandise exports and a 29.82% growth in service exports till April 2023. With a reduction in port congestion, supply networks are being restored. The CPI-C inflation reduction from June 2022 already reflects the impact. In September 2023 (Provisional), CPI-C inflation was 5.02%, down from 7.01% in June 2022. With a proactive set of administrative actions by the government, flexible monetary policy, and a softening of global commodity prices and supply-chain bottlenecks, inflationary pressures in India look to be on the decline overall.

## GLOBAL INFLUENCER MARKETING

Source: <https://market.us/report/influencer-marketing-platform-market>



The Global Influencer Marketing Platform Market size is expected to be worth around USD 306.9 Billion by 2033, from USD 16.2 Billion in 2023, growing at a CAGR of 34.2% during the forecast period from 2024 to 2033. In 2023, North America held a dominant market position, capturing more than a 31.7% share, holding USD 5.14 Billion revenue.

The influencer marketing platform market has seen significant growth due to the rising importance of social media marketing and the growing recognition of the impact that influencers can have on consumer behavior. Brands increasingly rely on influencer marketing platforms to enhance their marketing strategies by leveraging the credibility and reach of influencers. These platforms offer sophisticated tools for campaign management, analytics, and reporting, helping marketers optimize their campaigns for better engagement and returns.

Demand in the influencer marketing platform market is driven by businesses seeking to enhance brand awareness and reach through effective influencer collaborations. The need to tap into niche audiences and generate authentic engagement through trusted voices has led many brands to invest in these platforms. Moreover, as measuring the return on investment from influencer marketing campaigns becomes increasingly important, the demand for robust analytical tools within these platforms continues to rise.

Technological advancements are reshaping the influencer marketing platform landscape. AI-driven features for influencer matching, predictive analytics for campaign performance, and automated content management systems are becoming standard. These technologies enhance the efficiency and effectiveness of influencer campaigns, enabling personalized influencer matches and providing deeper insights into campaign metrics and audience responses.

The Influencer Marketing Platform market is experiencing robust growth, driven by evolving strategies and platforms that cater to increasingly targeted audience segments. A significant shift in the market is the growing reliance on micro-influencers, who now account for 46.4% of brand and agency spending.

This trend is largely attributed to their ability to engage more relevant and niche audiences, which 60% of marketers find more effective for reaching specific customer segments. Micro-influencers' closer connections with their followers enable brands to achieve higher engagement and trust, making them an integral part of modern marketing strategies.

Instagram continues to dominate the influencer marketing landscape, with 68% of marketers utilizing it for their campaigns. The platform's visual-centric nature is particularly effective for product discovery, as evidenced by 83% of users reporting that they discover new products on Instagram.

TikTok is rapidly emerging as a key platform in influencer marketing, with 67% of marketers planning to use it for campaigns in 2023, up from 45% in the previous year. TikTok's unique engagement dynamics, boasting an average influencer engagement rate of 15.86%, make it particularly appealing for brands targeting younger audiences.

E-commerce integration with influencer marketing is also gaining traction, particularly among female consumers. Notably, 53% of women have made a purchase through a social media influencer's post, demonstrating the direct impact of influencer-driven content on buying behavior.

Brands like Zara and Revolve have successfully leveraged social commerce, with Revolve attributing over 70% of its sales to influencer partnerships on Instagram, underscoring the financial benefits of these collaborations.

The Influencer Marketing Platform market is poised for continued growth, driven by the effectiveness of influencer partnerships, the rise of new platforms, and the increasing integration of e-commerce platforms. As brands refine their strategies to navigate this dynamic landscape, influencer marketing will remain a vital component of their overall marketing efforts.

## TOP INFLUENCER MARKETING PLATFORMS

Instagram, YouTube, and TikTok lead as the primary platforms for influencer marketing investments:

- *Instagram* tops the charts in influencer marketing investments, with brands pouring approximately \$1.95 billion into campaigns on this platform. This high level of spending underscores Instagram's powerful role as a prime destination for influencer partnerships. Its visually rich format and broad user base make it highly attractive for companies aiming to enhance brand visibility and engagement through visually compelling content.
- *YouTube* also holds a significant place in the influencer marketing arena, with spending reaching around \$986 million. Known for its extensive reach and the ability to produce in-depth content, YouTube provides a dynamic platform for influencers to connect with audiences. This investment level reflects its critical role in long-form video content, where influencers can deeply engage viewers with detailed reviews, tutorials, and storytelling.
- *TikTok* has quickly risen to match YouTube's influencer marketing expenditure, also at \$986 million. This reflects TikTok's explosive growth and its impact on the marketing landscape. The platform's format of short, engaging videos appeals to a younger audience, making it a key arena for brands targeting this demographic. The equal investment in TikTok and YouTube highlights the growing importance of diverse video content strategies in reaching different audience segments.

## APPLICATION ANALYSIS

Search & Discovery dominates with 35% due to the growing need to identify the right influencers to reach target audiences effectively.

Search & Discovery is the leading application within the Influencer Marketing Platform Market, holding a 35% share. This dominance stems from the critical importance of identifying and connecting with the most suitable influencers who can authentically align with a brand's values and effectively reach its target audience.

As the influencer landscape becomes more crowded and diverse, the ability to quickly and accurately discover influencers with the right audience demographic and engagement metrics becomes increasingly valuable.

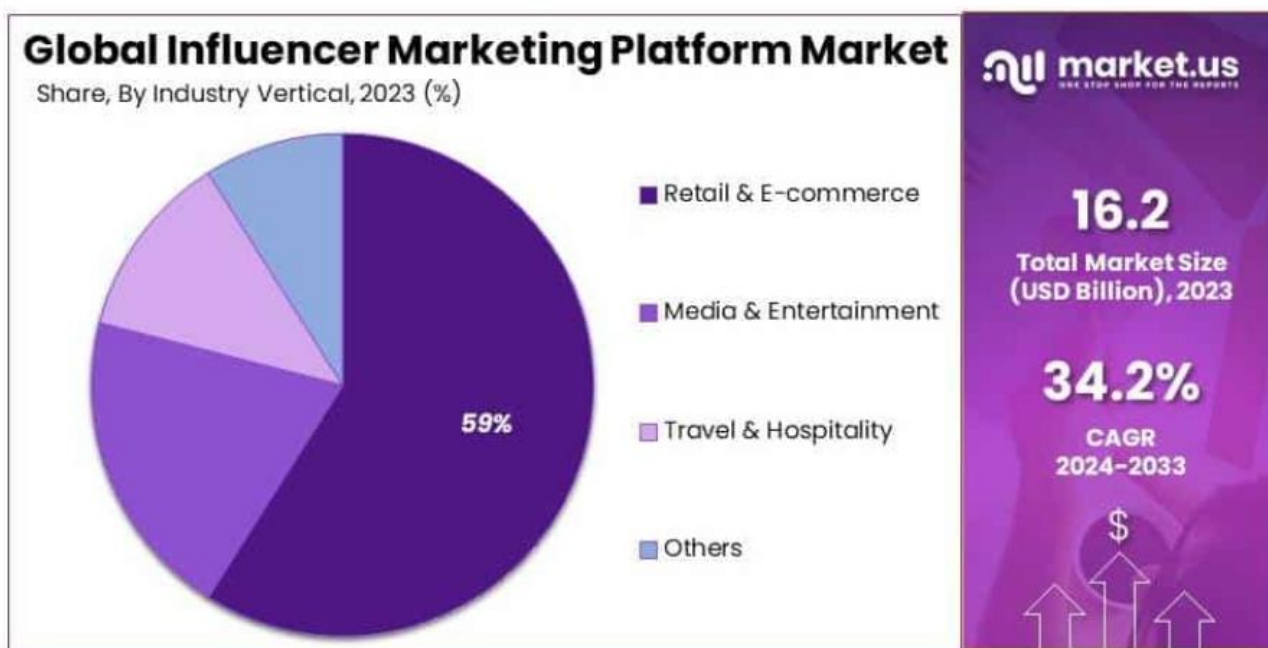
This application is integral to the strategic planning of influencer campaigns, providing tools that help marketers filter and select influencers based on a wide range of criteria, including reach, relevance, engagement rate, and past campaign performance.

Other applications such as Campaign Management, Influencer Relationship Management, and Analytics & Reporting also play crucial roles in the ecosystem of influencer marketing, enabling brands to manage and evaluate the effectiveness of their influencer collaborations more comprehensively.

## INDUSTRY VERTICAL ANALYSIS

Retail & E-commerce dominates with 59% due to the direct impact of influencer marketing on consumer purchasing decisions.

In the context of Industry Verticals, Retail & E-commerce leads the Influencer Marketing Platform Market with a 59% share. This sector's dominance is driven by the direct correlation between influencer endorsements and consumer purchase behaviors, making influencer marketing a highly effective strategy for retail brands aiming to expand their reach and enhance their consumer engagement online.



The visual and persuasive nature of influencer content is particularly effective in the Retail & E-commerce sector, where product visibility and brand differentiation are key.

Other verticals such as Food & Beverages, Fashion & Lifestyle, Sports & Fitness, and Health & Wellness also benefit significantly from influencer marketing. Each of these sectors utilizes influencers to cater to niche markets and create relatable content that resonates with specific consumer groups, further highlighting the versatility and broad applicability of influencer marketing across different industries.

## DRIVER

### *Rise of Social Media Usage and Demand for Authentic Content Drive Market Growth*

The rise in social media usage and the increasing demand for authentic content are significant drivers of the influencer marketing platform market. As more consumers spend time on social media platforms, brands are turning to influencers to reach their target audiences in a more relatable and engaging way. This shift has led to a surge in the adoption of influencer marketing platforms, which facilitate connections between brands and influencers.

Additionally, advancements in data analytics and artificial intelligence are enhancing the effectiveness of influencer marketing platforms. These technologies enable brands to identify the right influencers, measure campaign performance, and optimize their strategies in real-time. The ability to leverage data for more targeted and efficient campaigns is further accelerating the adoption of these platforms.

## OPPORTUNITY

### *Growth of Niche Markets and Micro-Influencers Provide Opportunities for Market Expansion*

The growth of niche markets and the rise of micro-influencers present significant opportunities for players in the influencer marketing platform market. As brands increasingly target specific audiences, there is a growing demand for niche influencers who can deliver highly relevant and targeted content. This trend is creating opportunities for platforms that can connect brands with influencers specializing in particular niches.

Additionally, micro-influencers, who typically have smaller but highly engaged followings, are becoming more valuable to brands. These influencers often have strong relationships with their audiences, leading to higher levels of trust and engagement. Companies that develop tools and features tailored to micro-influencers can capitalize on this growing segment.

## GROWTH FACTORS

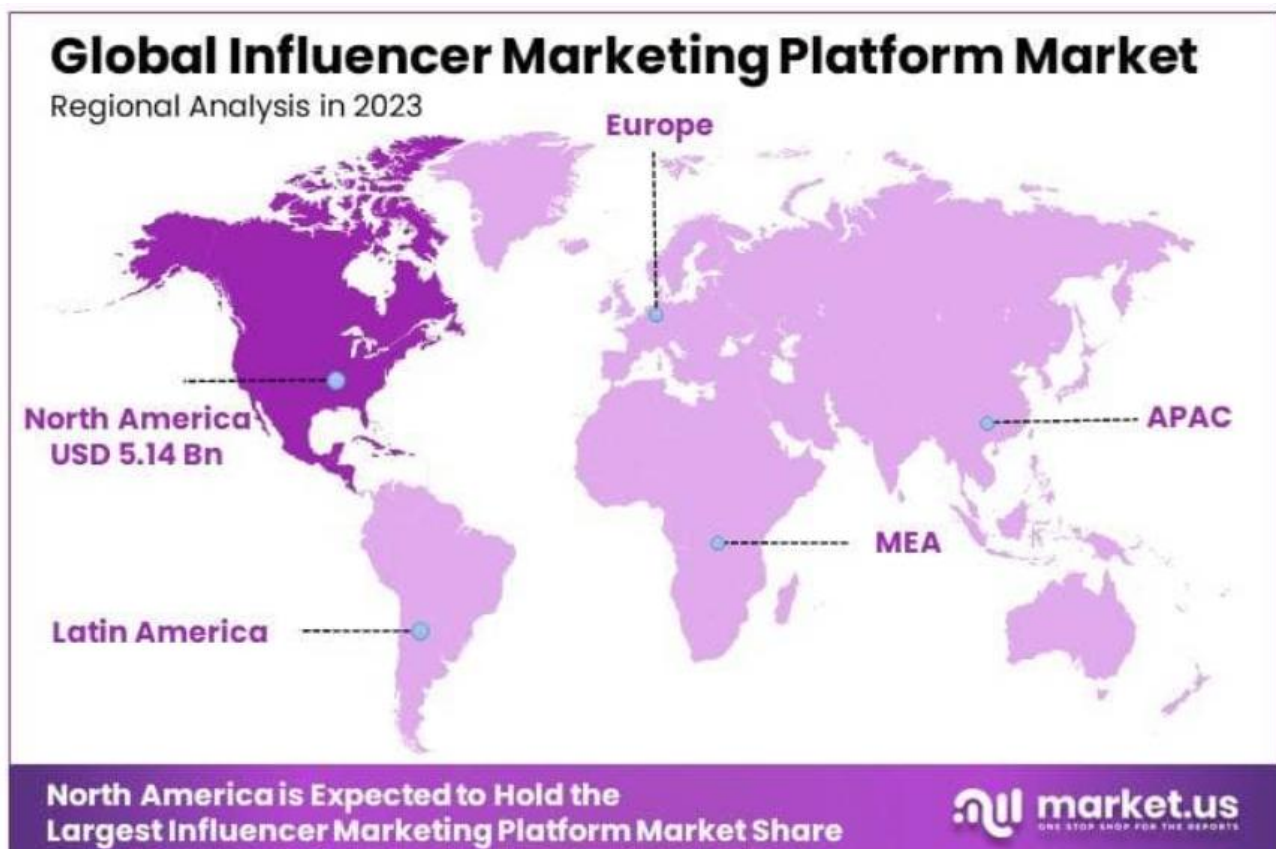
- **Enhanced Influencer Identification:** AI algorithms can analyze vast amounts of social media data to identify the most relevant influencers for a brand based on audience demographics, engagement metrics, and content relevance. This precision improves campaign effectiveness.
- **Advanced Audience Targeting:** AI allows brands to target specific audience segments with greater accuracy by analyzing followers' behavior, preferences, and engagement patterns. This targeted approach increases the likelihood of campaign success.
- **Improved Content Matching:** AI helps match brands with influencers whose content aligns closely with the brand's values and messaging. This alignment ensures that influencer partnerships are authentic and resonate well with the target audience.
- **Predictive Analytics for Campaign Success:** AI-powered predictive analytics can forecast the potential success of influencer campaigns by analyzing past performance data and trends. This capability enables brands to make data-driven decisions and optimize their strategies.
- **Automated Workflow and Management:** AI streamlines the management of influencer campaigns by automating tasks such as contract management, content approval, and payment processing. This automation reduces administrative burden and allows for smoother campaign execution.

## EMERGING TRENDS

- **AI-Driven Influencer Discovery:** The development of AI-driven tools for discovering new influencers is a major trend. These tools use advanced algorithms to find emerging influencers who may not yet be widely known but have high potential for impact.

- **Integration of Social Commerce:** The integration of social commerce features into influencer marketing platforms is gaining traction. This trend allows influencers to directly sell products within social media platforms, creating a seamless shopping experience for followers.
- **Data-Driven Personalization:** The trend towards data-driven personalization is creating opportunities for brands to deliver more personalized content through influencers. AI can analyze follower data to tailor messages and content to specific audience segments, increasing engagement.
- **Expansion of Micro-Influencers:** The rise of micro-influencers, who have smaller but highly engaged audiences, is a growing trend. AI helps brands identify and work with these influencers to create more authentic and relatable campaigns.
- **Video Content Domination:** Video content, particularly on platforms like TikTok and Instagram Reels, is becoming increasingly dominant. AI can help brands and influencers optimize video content for maximum engagement and reach, capitalizing on this growing trend.
- **Increased Focus on Transparency and Authenticity:** There is a growing emphasis on transparency and authenticity in influencer marketing. AI can help track and verify influencer claims, ensuring that partnerships are genuine and that followers can trust the content.
- **Enhanced Measurement and ROI Tracking:** AI enables more accurate measurement of campaign outcomes, including engagement rates, conversions, and return on investment (ROI). This detailed analysis helps brands understand the true impact of their influencer partnerships.

## REGIONAL ANALYSIS



North America's substantial 31.7% market share with a valuation of USD 5.14 Billion in the influencer marketing platform industry is propelled by the concentration of social media usage and the commercial prominence of influencer culture. The presence of major tech and media companies further enhances this region's capacity for influencer-driven marketing strategies.

**Europe:** Europe maintains a robust position in the influencer marketing platform market, supported by strong privacy regulations that drive transparency and trust in influencer campaigns, alongside a diverse cultural landscape that appeals to a broad audience.

**Asia Pacific:** The Asia Pacific (APAC) region is experiencing rapid growth in the influencer marketing platform market, driven by massive social media engagement and the rising popularity of local influencers across countries like China, India, and Japan.

**Middle East & Africa:** In the Middle East and Africa (MEA), growth in the influencer marketing platform market is fueled by increasing internet accessibility and smartphone adoption, coupled with a young population eager to engage with digital content and influencer personalities.

**Latin America:** Latin America is seeing significant expansion in the influencer marketing platform market, with businesses increasingly leveraging local influencers to reach a tech-savvy and socially engaged population, particularly in countries like Brazil and Mexico.

## TOP KEY PLAYERS IN THE MARKET

- Launchmetrics
- Triller
- CreatorIQ
- Upfluence
- Onalytica
- Speakr
- Upfluence
- Aspire
- Meltwater
- NEOREACH
- Traackr, Inc.
- Webfluential.com
- Hypetap

The Influencer Marketing Platform Market is growing rapidly as brands seek effective ways to connect with audiences through social media influencers. Among the leading companies, **CreatorIQ**, **Upfluence**, and **Traackr, Inc.** are the top three key players driving the market.

## RECENT DEVELOPMENTS

- **August 2023:** Launchmetrics, a leading marketing platform, saw a significant development in August 2023 when Lectra, a company specializing in industrial intelligence for fashion, acquired a controlling stake in Launchmetrics. This move strengthens Lectra's position in the digital marketing space by integrating Launchmetrics' influencer marketing tools, aiming to enhance data-driven marketing strategies.
- **July 2023:** Triller completed the acquisition of Julius, an established influencer marketing platform. This acquisition allows Triller to enhance its creator-centric services by providing deeper insights and more streamlined ROI analysis for brands using its platform. The move aligns with Triller's strategy to bolster its position in the creator economy.
- **October 2023:** CreatorIQ, an enterprise-level influencer marketing platform, has continued its growth trajectory by integrating advanced AI features with its existing suite of tools. The platform now offers enhanced campaign management capabilities, making it easier for brands to track influencer partnerships and prove ROI through comprehensive analytics. This update further solidifies CreatorIQ's position as a leader in the industry.

## INFLUENCER MARKETING IN INDIA

Source: <https://www.ibef.org/blogs/the-rising-trend-of-influencer-marketing-in-india-key-insights-and-strategies>

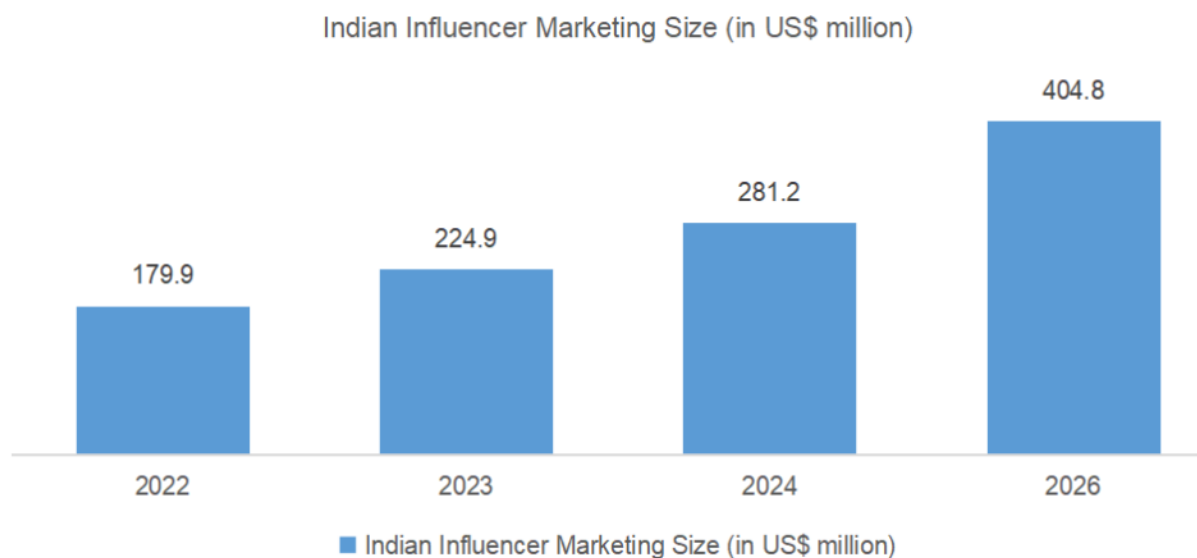
Influencer marketing has emerged as a new and impactful phenomenon in the Indian advertising space. In the evolving digitalisation era, brands are increasing their focus on popular influencers which have a great command on drawing attention of the online audience. This upcoming trend is a dramatic shift on how brands connect with consumers in the digital era.

This in return leads the Indian influencer marketing space towards rapid growth, impact, and future trajectory. A shift in consumer behaviour and technological advancements are some of the main reasons for the current state of influencer marketing being a powerhouse in the advertising industry.

## GROWTH OF INFLUENCER MARKETING IN INDIA

In today's world, influencer marketing has emerged as an impactful tool for brands to connect with their audience authentically. Instagram, YouTube, TikTok, and other social media platforms have enabled influencers to reach and influence their followers. To build rapport and credibility with the audience, brands are collaborating with influencers to enhance the market position of their products or services.

One of the primary causes for change in the dynamics of consumer interaction and advertising is a significant increase in influencer marketing in recent years. With the emergence of short video platforms and having a user base of 65% of non-metropolitan areas, consumption of content has taken a new route of expansion. The rise of affordable smartphones and data plans has made access to social media easy, helping individuals from various backgrounds to build an influence online.



Source: EY State of influencer marketing in India report 2023

India's influencer marketing industry is estimated to reach Rs. 3,375 crore (US\$ 404.82 million) by 2026, expanding at a CAGR of 18% over 2022-26, as per a report from Ernst and Young (EY).

Influencer marketing is poised to reach US\$ 404.8 million by 2026. With ~50% of the mobile usage directed towards social media platforms, influencer marketing has turned out to be a key communication strategy for marketers. With considerable

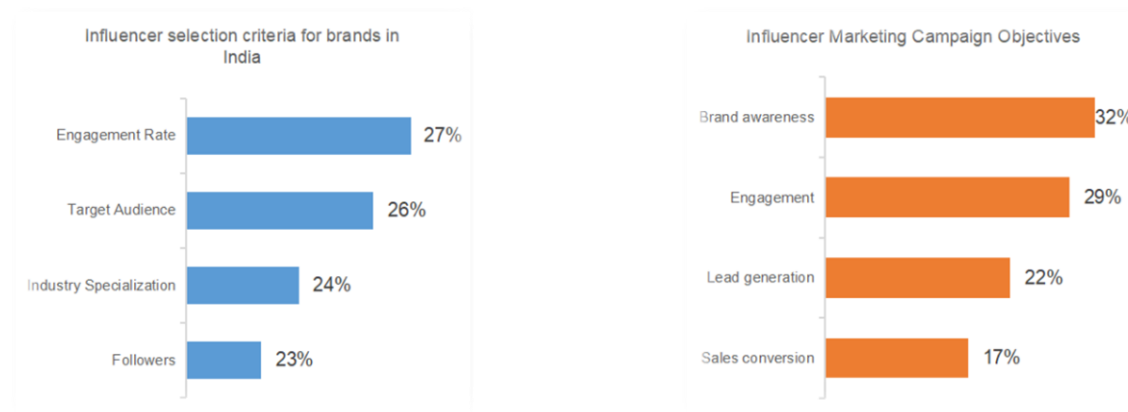


potential for brands, marketers and influencers, these growth figures highlight the ongoing growth trajectory and significant opportunities in the influencer marketing space.

## THE IMPACT OF INFLUENCER MARKETING IN INDIA

By offering a personalised and authentic approach towards brand promotion, the impact of influencer marketing has exceeded the traditional advertising routes. Influencers are known for possessing a forte or a distinct personality, which aids them to connect with their audience at a much higher level. This results in building trust and credibility as the endorsements are genuine recommendations.

As per EY, more than 2% has been invested towards influencer marketing by more than 56% of Indian brands to enhance their audience reach. Additionally, more than 70% of the brands are opting to keep their influence marketing budget the same or raise it by ~10%.



Source: EY State of influencer marketing in India report 2023

## THREE OUT OF FOUR BRAND STRATEGIES INCLUDED INFLUENCER MARKETING AS A COMPONENT.

Instagram and YouTube are the most popular and preferred platforms to access influence content that ultimately draws attention of a vast and diverse audience. With their visually attractive formats and extensive reach, these platforms serve as primary hubs for influencer engagement in various categories.

Specific purposes or niche audiences are better targeted as the influencer industry in India is dynamic, with several platforms like Twitter, Instagram, and other emerging platforms such as Clubhouse gaining traction. Each platform offers multiple opportunities for influencers to connect with their followers and deliver an impactful message, for example, Instagram with its visually rich content, the vivid storytelling on YouTube or the highly relatable conversations on Twitter. Adaptability and innovation are key to engaging with various sets of audiences and that is reflected in the multi-platform approach.

## KEY STRATEGIES FOR INFLUENCER MARKETING SUCCESS IN INDIA:

It is vital that the brands take a calculated approach towards utilising influencer marketing in India. Mentioned below are some of the important strategies to consider:

- **Knowing the diversity**

With India being a diverse country comprising various languages, cultures and traditions, the influencer strategy should be to collaborate with influencers who relate with different demographics and regions.



- **Choosing an impactful platform**

Instagram is currently the most popular platform globally for influencer marketing. Platforms such as YouTube and TikTok (now replaced by apps like Chingari and Moj) are highly influential as well.

- **Generating authentic content**

Encouraging influencers to create authentic and relatable content that connects with the target audience is a key strategy in the Indian market. A simple yet effective approach is to avoid promotional messaging or scripted content and instead use storytelling that seamlessly integrates with the brand message as well as promoting through the experience of the influencer about the product or service.

- **Measuring performance through data-driven approach**

Using analytics as a tool to track the performance of the influencer is important and a distinguishing characteristic from celebrity endorsements. Key metrics must be tracked, such as engagement, reach and conversions rates, to understand the effectiveness of the campaign and tailor future efforts based on the results.

- **Engaging micro-influencers**

While macro-influencers have their own impact, micro-influencers have the advantage of having a more engaged and loyal audience. Affordability plays a huge role in opting for a micro-influencer, making them a great pick for targeted campaigns and niche segments.

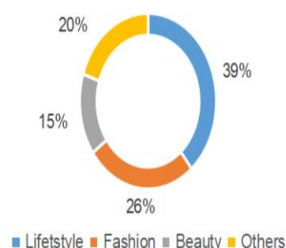
- **Forming long-term partnerships**

Building a long-term partnership with influencers can be more beneficial as opposed to a one-off campaign. As a firm, this not only helps build trust but also translates into more credibility with the audience over time.

Due to the complexities of a diverse and culturally rich market in India, strategies for success in influencer marketing are essential. It is important to understand the audience's language, culture, and preferences for brands to identify the most relevant influencers to effectively engage a specific group of population. Strategies prioritising authenticity, platform relevance and cultural sensitivity help gain a competitive edge that fosters trust, engagement, and brand loyalty.

## INSIGHTS INTO THE FUTURE OF INFLUENCER MARKETING IN INDIA

Lifestyle, fashion and beauty- Sectors driving influencer growth



Lifestyle, fashion, and beauty are the sectors that will be driving the growth of influencer marketing in India, as per EY. Due to the increasing interest in relatable content on social media, these industries are gaining importance. To drive sales and increase target audience reach, brands in lifestyle, fashion and beauty are utilising influencers to achieve maximum gains. The influencer marketing trend is evolving beyond the typical sponsored posts to include more immersive and interactive content formats, resulting in deeper connection with consumers and enabling innovation in influencer marketing.

Source: EY State of influencer marketing in India report 2023

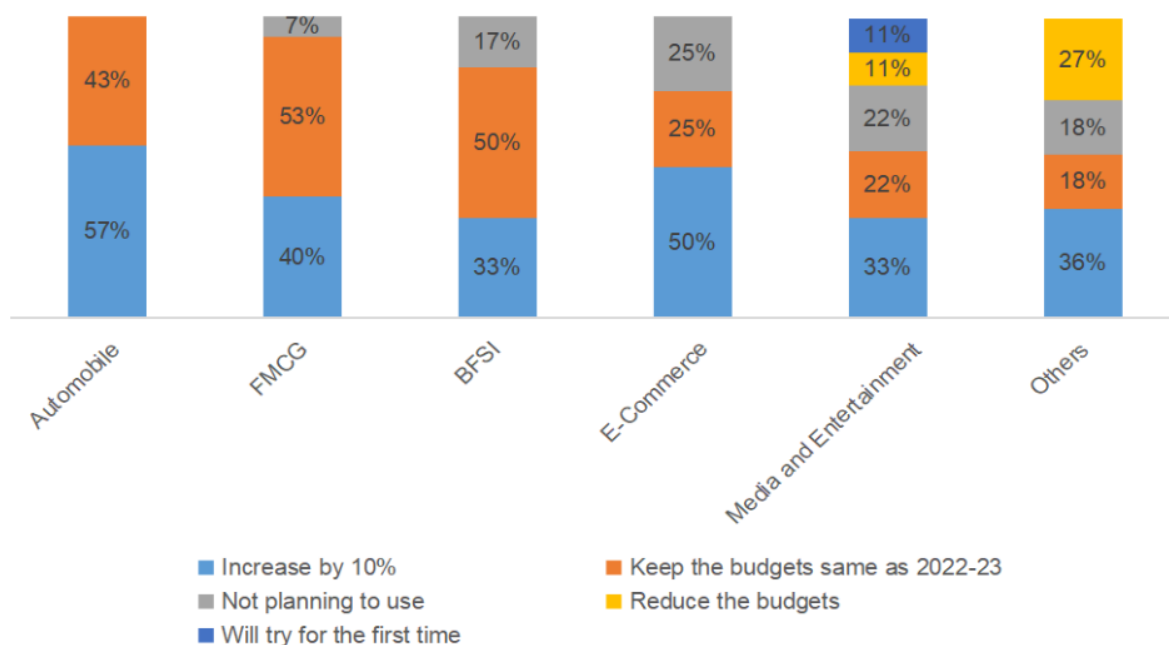
## AUTOMOBILE, E-COMMERCE AND FMCG ARE KEY SECTORS TO BOOST SPENDING ON INFLUENCER MARKETING

With the continuous evolution of the digital age, these sectors are the most impacted sectors to recognise the potential of influencer partnerships that enhance brand visibility, engagement and ultimately sales.

The automobile sector is leveraging influencers to highlight their latest models, turn the spotlight on innovative features and raise the excitement for product launches. On a similar note, e-commerce brands are utilising the power of influencers to enhance their product offerings, announce discounts/sales, and increase customer acquisition and retention. In the FMCG sector, influencers help to endorse products, share user experiences, and influence consumer preferences. It is anticipated to see more innovative campaigns, creative collaborations, and deeper consumer engagement in the digital landscape.

## CONCLUSION

As we step into the future of digitalisation, the growth trajectory of influencer marketing in India seems to be promising yet evolving. With artificial intelligence and data analytics gaining traction, brands can expect greater sophistication in influencer shortlisting and campaign optimisation. The use of machine learning algorithms helps to analyse large data sets to aid with identifying the most suitable influencers based on the demographics of the audience, interests, and engagement metrics. The rising trend of influencer marketing in India also signifies the fundamental shift in the way brands engage with consumers. Brands must adapt and embrace the shift towards influencer marketing to shape consumer preferences.



## OUR BUSINESS

*Following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in the Draft Red Herring Prospectus, including the information contained in the section titled ‘Risk Factors’, beginning on page 23 of the Draft Red Herring Prospectus.*

*This section should be read in conjunction with, and is qualified in its entirety by, the more detailed information about our Company and its financial statements, including the notes thereto, in the sections titled ‘Risk Factors’ and ‘Financial Information’ and chapter titled ‘Management Discussion and Analysis of Financial Condition and Results of Operations’ beginning on page 23, 160 and 190, respectively, of the Draft Red Herring Prospectus.*

*Unless the context otherwise requires, in relation to business operations, in this section of the Draft Red Herring Prospectus, all references to “we”, “us”, “our” and “our Company” are to our promoters, Chatterbox Technologies Limited and Group Entities as the case may be.*

### Overview

Our Company was incorporated in India under the provisions of the Companies Act, 2013 on March 03, 2016. The Corporate Identity Number of the Company is U93000MH2016PLC273833. The Company is primarily engaged in providing digital and influencer marketing services, and social media management services through two segments, viz., “Chtrbox” and “Chtrsocal”.

The “Chtrbox” and “Chtrsocal” have been briefly discussed below:

#### **A) Chtrbox:**

Chtrbox is an influencer and marketing platform and agency in India, connecting brands/ products and social media influencers. Since 2016, the company has managed approximately thousand plus campaigns with approximately 500 Influencers and content creators to reach and engage large number of subscribers of social media platforms such as Instagram.. Chtrbox uses the latest technology like HypeAuditor with the strategy to build influencer content and campaigns mainly for marketing and brand building on social media platforms. As of now we primarily operate in India, with our HQ in Mumbai, and we have team members in many cities of India. We have successfully rendered our services outside India in international markets like Singapore, UAE, USA and UK helping us build a global footprint. As part of our expansion strategy, we are targeting key international markets such as the UAE and Southeast Asia, where influencer marketing is on the rise.

#### **B) Chtrsocal:**

ChtrSocial is the Social Media Management and Brand Design wing of Chtrbox. With creative talents in strategy, content, design and production ChtrSocial aims at humanizing brands with creative social media content, short form videos production and strategic storytelling. Key markets where ChtrSocial services provided in India includes Mumbai, Delhi, and Bangalore and Internationally, we’ve previously serviced inbound clients from the USA, however, as on date we are not providing Chtrsocal services to any of the international clients. For more details of our Services, please refer to section titled “Our Services” on page 107.

### Vision of the company

The company’s vision is to be one of the leading forces in connecting brands with authentic influencer voices, shaping meaningful and impactful collaborations between influencers and brands that inspire and engage global audiences. It strives to empower influencers and brands alike, creating campaigns that resonate with values of authenticity, creativity, and trust, while driving measurable success and lasting connections in the digital world.

### **Sales Break-ups**

We provide services primarily to B2B customers.

**Our Geography wise Sales breakup during the period ended December 31, 2024 and Fiscals ended 2024, 2023 and 2022, is as under:**

(₹ in lakhs, except for percentage)

Particulars	31.12.2024		31.03.2024		31.03.2023		31.03.2022	
	Amt.	% ^	Amt.	% ^	Amt.	% ^	Amt.	% ^
<b>India (Region-wise)</b>								
Western & Central	2,820.29	62.99	3,175.60	57.89	2,037.43	51.04	1,613.12	50.86
Northern	977.69	21.84	1,670.35	30.45	938.77	23.52	700.82	22.09
Southern	449.74	10.05	450.54	8.21	860.21	21.55	628.02	19.80
Eastern	46.72	1.04	27.42	0.50	36.81	0.92	29.90	0.94
<b>India Total</b>	<b>4,294.44</b>	<b>95.92</b>	<b>5,323.91</b>	<b>97.06</b>	<b>3,873.22</b>	<b>97.04</b>	<b>2,971.86</b>	<b>93.69</b>
<b>Export (Country-wise)</b>								
Singapore	70.06	1.56	78.49	1.43	71.32	1.79	168.04	5.30
Europe	80.76	1.80	74.15	1.35	6.66	0.17	20.04	0.63
Canada	8.3	0.19	5.10	0.09	0.81	0.02	1.36	0.04
USA	0.00	0.00	1.64	0.03	11.18	0.28	7.66	0.24
UAE	0.00	0.00	2.08	0.04	23.54	0.59	2.93	0.09
South Korea	23.66	0.53	0.00	0.00	0.00	0.00	0.00	0.00
Hong Kong	0.00	0.00	0.00	0.00	4.73	0.12	0.00	0.00
<b>Export total</b>	<b>182.78</b>	<b>4.08</b>	<b>161.46</b>	<b>2.94</b>	<b>118.24</b>	<b>2.96</b>	<b>200.03</b>	<b>6.31</b>
<b>Total Revenue from Operations</b>	<b>4,477.22</b>	<b>100.00</b>	<b>5,485.37</b>	<b>100.00</b>	<b>3,991.46</b>	<b>100.00</b>	<b>3,171.89</b>	<b>100.00</b>

^as a percentage of total revenue from operations

Our Sector wise Sales breakup during the period ended December 31, 2024 and Fiscals ended 2024, 2023 and 2022, is as under:

(₹ in lakhs, except for percentage)

Particulars	31.12.2024		31.03.2024		31.03.2023		31.03.2022	
	Amt.	% ^	Amt.	% ^	Amt.	% ^	Amt.	% ^
Beauty, Personal Care & Lifestyle	1,922.34	42.94	2,471.04	45.05	1,605.21	40.22	1,230.62	38.80
Technology	1,240.63	27.71	2,108.14	38.43	1,383.35	34.66	898.41	28.32
Entertainment	590.79	13.20	543.98	9.92	515.63	12.92	392.90	12.39
Finance	137.39	3.07	71.16	1.30	211.35	5.30	103.18	3.25
Travel, Hospitality & F&B	178.26	3.98	112.26	2.05	69.40	1.74	166.90	5.26
Health, Fitness, Nutrition, Wellness	374.72	8.37	150.61	2.75	169.17	4.24	375.90	11.85
Other	33.09	0.74	28.19	0.51	37.36	0.94	3.97	0.13
<b>Total Revenue from Operations</b>	<b>4,477.22</b>	<b>100.00</b>	<b>5,485.37</b>	<b>100.00</b>	<b>3,991.46</b>	<b>100.00</b>	<b>3,171.89</b>	<b>100.00</b>

^as a percentage of total revenue from operations

The financial performance of our Company for the period ended December 31, 2024 and Fiscals ended 2024, 2023 and 2022, is as under:

(₹ in lakhs, except for percentage)

Particulars	31.12.2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Total Revenue	4,500.19	5,536.97	4,019.99	3,198.38
EBITDA <sup>(1)</sup>	864.35	1,206.83	138.31	84.72

Particulars	31.12.2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
EBITDA margin (%) <sup>(2)</sup>	19.21%	21.80%	3.44%	2.65%
PAT	642.33	852.62	127.84	66.44
PAT Margin (%)	14.27%	15.40%	3.18%	2.08%
Net Debt <sup>(3)</sup>	-258.35	-152.94	-259.53	-657.01
Total Equity	1,041.66	12.86	12.86	12.86
Networth	2,320.27	1,677.94	825.32	697.48
RONW (%) <sup>(4)</sup>	27.68%	50.81%	15.49%	9.53%
EPS (Basic & Diluted) <sup>(5)</sup>	6.17	8.19	1.23	0.64

<sup>(1)</sup>EBITDA = Profit before tax + depreciation & amortization expense + finance cost.

<sup>(2)</sup>EBITDA Margin = EBITDA/ revenue from operations.

<sup>(3)</sup>Net debt = non-current borrowing + current borrowing - Cash and Bank Balances, and Investment in Mutual Funds.

<sup>(4)</sup>RONW = Net profit after tax /Networth

<sup>(5)</sup>EPS = Net Profit after tax, as restated, attributable to equity shareholders divided by weighted average no. of equity shares outstanding during the year/ period.

## OUR COMPETITIVE STRENGTHS

### 1. Experienced Promoters and management team with strong industry expertise

The Promoters and Managing Director of our Company, Rajnandan Mishra has 10+ years of experience in the media industry specially focused on marketing and brand building through short form videos on social media platforms. This expertise allows our business to adapt to changing market conditions and maintain a competitive edge. Further our promoters is supported by a team of experienced personnel. The team comprises of personnel having customer relationship, operational, marketing, finance and compliance experience. We believe that our management team's experience and their understanding of the needs of our customers will enable us to continue to take advantage of both current and future market opportunities.

For further details regarding the experience and qualifications of our management team please see “**Our Management**” on page 137 of this Draft Red Herring Prospectus. We believe that the knowledge and experience of our promoters and management will enables us to identify new opportunities, rapidly respond to market conditions and competitive environment.

### 2. Strong relationships with Influencers and Customers

With over 8 years of industry experience, Chtrbox has built a reputation in influencer marketing. Backed by a skilled and dedicated team, we've built long-term relationships with both top-tier brands and influencers, allowing us to consistently deliver impactful campaigns. Our deep industry knowledge and trusted network enables us to create tailored, authentic marketing strategies that resonate with audiences and meet client objectives, making us a trusted partner in the space.

With experienced promoters / senior management employees and their relations, our business has built a reputation for reliability, quality, and expertise. This reputation has led to repeat business from satisfied customers.

Over the years, the promoters have developed strong relationships with customers, suppliers, and other stakeholders in the industry, which in turn has helped the Company in developing the business. These relationships can lead to better access to resources, and opportunities for working together and expansion. This has helped us create a long-term relationship with our customers and improve our customer retention strategy.

### 3. Specialised and Diversified service portfolio

Chtrbox has specialized offerings that help us stand out and drive targeted marketing for our brand partners, such as -

Youth:Ink conducts our Campus Ambassador Programs where we tap into the growing potential of college students and build a strong presence in campuses across the country, allowing brands to directly engage with a younger, tech-savvy, and trend-conscious audience and also enable user generated content creation, .

BharatBox: focuses on regional influencers, helping brands penetrate regional markets across India. With this division, we offer localized campaigns that resonate with diverse cultures and languages, enhancing brand visibility and engagement in tier-2 and tier-3 cities.

Our Company has diversified its service offerings to cater to a broader range of customer needs. Chtrbox works with brands across a wide range of sectors - from tech giants to financial leaders and beauty powerhouses. This diverse portfolio of customers reflects our versatility and ability to deliver results, no matter the sector in which customer belongs to.

For more details of our Services, please refer to section titled “**Our Services**” on page 107.

## **OUR STRATEGIES**

### **1. Further develop our Influencer network**

Our Company has established a strong presence in the influencer marketing and digital marketing space in India in the last 8 years and in addition to traditional influencer marketing vertical where we connect brands with influencers and facilitate their marketing campaigns, we have launched various initiatives such as Chtrbox Represent - our exclusive talent representation vertical, Campus Ambassador programs - to tap into the growing potential of college students to build a strong presence in campuses, our regional influencer marketing channels which help brands penetrate the regional markets across India with localized campaigns and most recently, ChtrSocial our social media management vertical.

We are exclusively representing 50+ Influencers for digital marketing and brand promotions through social media platforms. Our future strategy includes developing our exclusive talent management network and onboard premium influencers with higher and better reach to be more desirable for brands to work with us. Currently, our influencer network categories include Beauty, Personal Care & Lifestyle, Entertainment, Technology, Health and Fitness, Hospitality, Finance etc. We aim to grow this network and add more categories to enable us to cater to a wider array of companies in their marketing campaigns.

We propose to Invest Rs. 501.50 Lakhs towards brand building of the Company which will help us in expansion of influencer network out of the IPO proceeds. For further details please refer to “**Objects of the Offer-Funding Capital requirements for Brand Building of our own Company**” beginning on page 80 of the Draft Red Herring Prospectus.

### **2. Develop our production capabilities**

The company aims to focus on driving bigger campaigns by offering clients end to end video production services. Currently, we majorly offer content and video production services to brands and influencers through third party service providers and influencers and creators. Further, we are in the process of strengthening our in-house video production capabilities to provide a comprehensive service offering to our clients and influencers and derive better value and margins from our business activities by establishing an in-house studio with latest technology.

We propose to utilize Rs. 713.74 Lakhs towards setting up an additional 3000 Sq. Ft. office space cum studio out of the IPO proceeds. Out of this, Rs. 533.94 lakhs will be utilized for setting up the proposed studio (1500 Sq. Ft.), Rs. 53.80 lakhs will be utilized for setting up the proposed office space for to day operations (1500 Sq. Ft.) and the balance Rs. 126.00 lakhs for leasing of the proposed space (3000 Sq. Ft.). For further details please refer to “**Objects of the Offer- Funding Capital expenditure for setting up an additional office cum setting up a new studio**” beginning on page 78 of the Draft Red Herring Prospectus.

### **3. Strengthen presence in India and expand to emerging markets**

Our overall strategy going forward is to strengthen our presence in India and expand to emerging markets such as the Middle East and Asia Pacific regions. Currently our business operations are concentrated in Maharashtra, Delhi and neighboring states. We aim to strengthen our presence in the key markets of southern India.

Our growth journey in the last 8 years and our activities in domestic as well as international markets give us leverage to better target these markets for higher growth potential. Our average revenue per employee has increased from Rs. 21.82 lakhs per employee in 2018 to about Rs. 66.89 lakhs per employee in 2024 due to our focus on strategic and efficient team building.

We propose to invest Rs. 1107.25 Lakhs towards purchase of hardware and software, Rent co-working space and security deposit payable towards the same, Manpower enhancement out of the IPO proceeds. For further details please refer to “*Objects of the Offer- Funding Capital requirements for Existing business*” beginning on page 72 of the Draft Red Herring Prospectus.

#### **4. Develop our technological capabilities**

Our industry is growing and is dependent on technological advancements. We aim to further leverage technology in influencer and content discovery, live tracking of campaigns, performance analysis, campaign planning and management and develop our technological capabilities in order compete effectively.

We are currently using HypeAuditor for influencer data analysis, identification and selection, and insights and Google Drive Services for campaign management, performance analysis, tracking etc. Further, we plan to develop a comprehensive influencer marketing data analysis software that will provide features such as influencer statistics across multiple social media platforms, analysis of campaigns undertaken, market trends and analysis, campaign management, live dashboard to monitor impact of campaigns in terms of engagement, reach etc. Currently, we are dependent on paid third-party software service provider for some of these features.

The proposed software would aim to create live dashboards for our teams as well as customers, help with influencer discovery and selection for the campaigns, strategize campaigns more efficiently, customized reports and insights, tracking of campaigns and further build trust by strengthening data transparency with brands and improve our overall brand positioning.

For further details about our expansion and status of the same, please refer to the chapter titled “*Objects of the Offer*” beginning on page 73 of the Draft Red Herring Prospectus.

#### **Our Services**

The company provides its services mainly through two segments, viz., “Chtrbox” and “Chtrsocal” which have been briefly discussed below:

##### **A) Chtrbox:**

Chtrbox is an influencer and digital marketing platform and agency in India, connecting brands/ products and social media influencers.

Chtrbox's growth journey has been marked by several milestones since its founding in 2016. The company's initial mission was to leverage the emerging power of social media influencers to create connections between brands and consumers. Over the years, The company's ability to offer data-driven services through software such as HypeAuditor for influencer data analysis, identification and selection, and insights and Google Drive Services for campaign management, performance analysis, tracking etc. Our expertise in identifying the right influencers helped various brands for which we have run successful campaigns, driving their visibility and their customer engagement.

Under Chtrbox, we primarily operate Brand Solutions and Chtrbox Represent divisions.

The brand solutions division facilitates brand development for our clients through influencer marketing campaign planning and management, consultancy and advisory services for marketing and branding, content strategy, social media strategy and digital marketing for the clients. We combine data-driven discovery of influencers and their content, strategic planning of campaigns, influencer outreach, measurement of campaign performance for clients to gain insights.

**Chtrbox Represent**, started in 2018, is our dedicated talent management division wherein we exclusively represent, manage and support the growth of existing and emerging influencers. This division identifies and onboards influencers and builds long-term association and support the influencers to ensure mutual growth opportunities. We also support the influencers in various aspects such as advisory and content support for social media content, liaising with brands, compliances, driving business generation, collaborations with celebrities and brands, events etc.

Apart from above two, services listed below strengthen our overall service offerings to clients:

**Bharatbox** - Our approach to regional influencer marketing wherein we access homegrown regional influencers to facilitate campaigns in local languages to deepen the reach of brands in tier 2 and tier 3 markets.

**Youth:Ink** - Under Youth:Ink we promote the reach to youth through campus ambassador programs which includes in-campus content creation, facilitating user generated content and others, allowing brands to directly engage with a younger, tech-savvy, and trend-conscious audience.

**ChtrInternational** – We enable Indian and international brands to expand their reach and collaborate with creators from around the world.

The company's evolution is driven by strategic expansion, the launch of its talent management division representing 50+ influencers, and a deep commitment to strategic campaigns for brands across sectors.

As a recognized leader in this space, Chtrbox has bagged an award for **Influencer Marketing Agency of The Year for 2023**, and **Talent Management Agency of The Year for 2023** by Entrepreneur India & Social Samosa respectively.

#### Key Achievements:

- **Launched Chtrbox Represent**, its talent management division in 2018, which has since grown to contribute to over 50% of the company's revenue.
- **Aqui-hired BlazOnion**, a branding and social media company, which was rebranded as **ChtrSocial**. This move has strengthened its service offerings, enabling it to provide comprehensive digital marketing solutions.
- **Long-Term Brand Partnerships**: The company has built long-term relationships with several brands, some of which have been with us for over 4-5 years, demonstrating the trust and effectiveness of our collaborations.
- **Employee Retention**: The industry is exposed to high employee turnover. Yet, Chtrbox is proud that over 15 team members have been with the company for more than three years, reflecting its strong culture.

For more details about our milestones, please refer to section titled “*History and Certain Other Corporate Matters*” beginning on page 132.

#### B) Chtrsocal:

ChtrSocial is the Social Media Management and Brand Design wing of Chtrbox. With creative talents in strategy, content, design and production ChtrSocial aims at humanizing brands with creative social media content, short form videos production and strategic storytelling.

ChtrSocial started with a clear vision to help brands get viral and make sales online. Our journey began by focusing on humanized and shareable content, rapidly scaling our services to meet diverse content, design, production and performance marketing needs. Since then, we've expanded our marketing activities into multiple sectors, including technology, entertainment, hospitality and financial services. Our growth trajectory has been driven by a commitment to content innovation, virality strategies, and adapting to the evolving digital algorithms. We've bolstered our operational capabilities and strengthened client relationships by seamlessly integrating creative strategy, data-driven insights and execution.

The service business of the Company is built on four pillars. Viz, branding, social growth, creative design and production. Key markets for us under this segment in India include Mumbai, Delhi, and Bengaluru and Internationally, we've previously serviced inbound clients from the USA.

**Our Sales breakup by Service category during the period ended December 31, 2024 and for the Fiscals ended 2024, 2023 and 2022, is as under:**

(₹ in lakhs, except for percentage)

Particulars	31.12.24	31.03.24	31.03.23	31.03.22
<b>Professional Fees from digital and influencer marketing (Chtrbox)</b>				
Brand Solutions	1,846.06	2,713.09	2,413.05	2,268.98
Represent	2,100.82	2,420.75	1,432.40	902.91
<b>Professional Fees from social media management (Chtrsocal)</b>	530.34	351.53	146.01	-

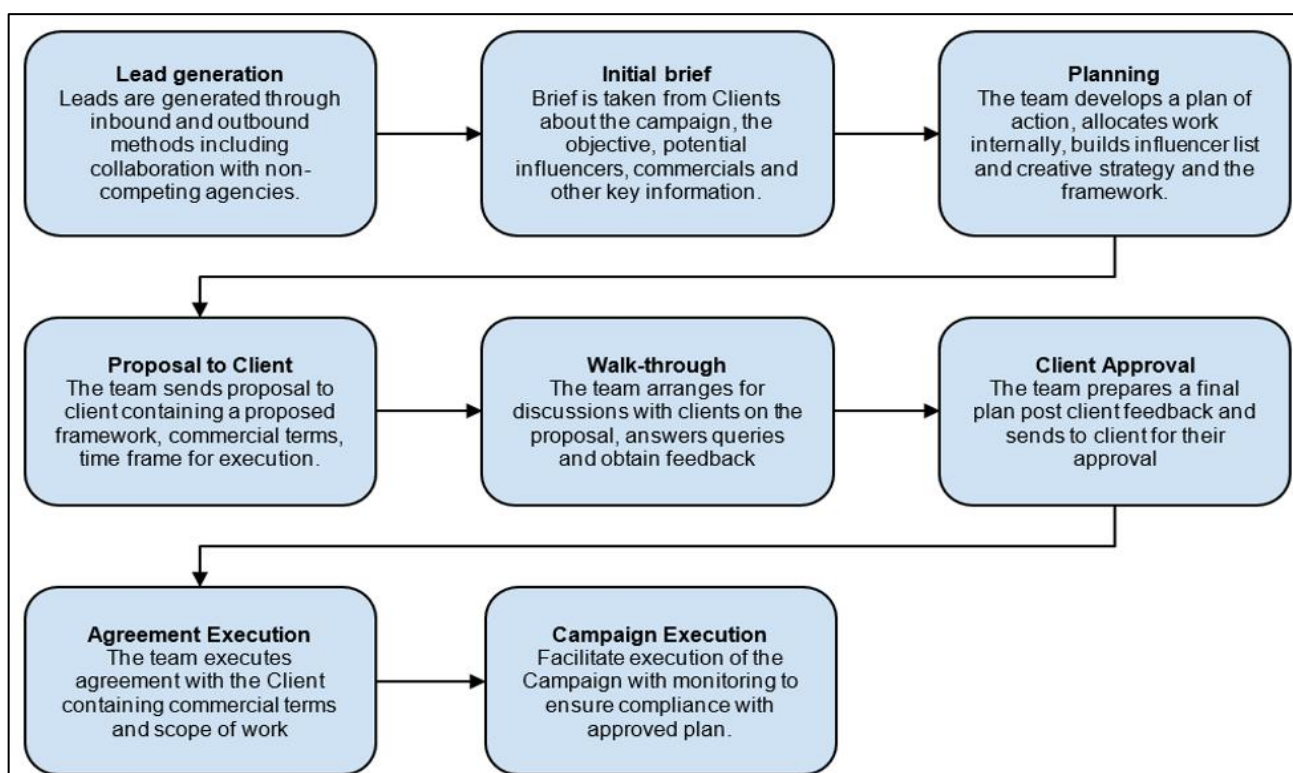


Particulars	31.12.24	31.03.24	31.03.23	31.03.22
<b>Total</b>	<b>4,477.22</b>	<b>5,485.37</b>	<b>3,991.46</b>	<b>3,171.89</b>

### Process flow chart

**Chtrbox** - The operational flow for Chtrbox is as under:

#### Chtrbox Brand Solution



#### Process steps are explained as under:

The process begins with **Lead Generation**, where leads are sourced through various methods. Inbound leads are acquired via website inquiries, emails, or partnerships, while outbound leads are identified using outreach platforms such as LinkedIn or lead generation tools. Collaborations with non-competing agencies are also established to exchange or generate referrals. Each lead is assigned to a brand solutions team member for follow-up, and all leads are maintained in a centralized tracker.

Next, in the **Initial Brief** stage, the team engages with the client to understand campaign objectives, target audience, budget, timelines, and preferences for influencers, content types, and expected outcomes. This information is documented in a structured client briefing document for internal reference.

The **Planning** phase involves formulating a campaign strategy based on the client's brief, industry benchmarks, and trends. The team builds an influencer list, outlines the creative strategy, and allocates tasks internally for research, influencer outreach, and framework development. A detailed framework is prepared, including timelines, deliverables, and success metrics.

In the **Proposal to Client** stage, the team drafts a comprehensive proposal detailing the campaign framework, influencer suggestions, commercial terms, costs, and execution timeline. This proposal is shared with the client, followed by follow-ups for initial feedback.

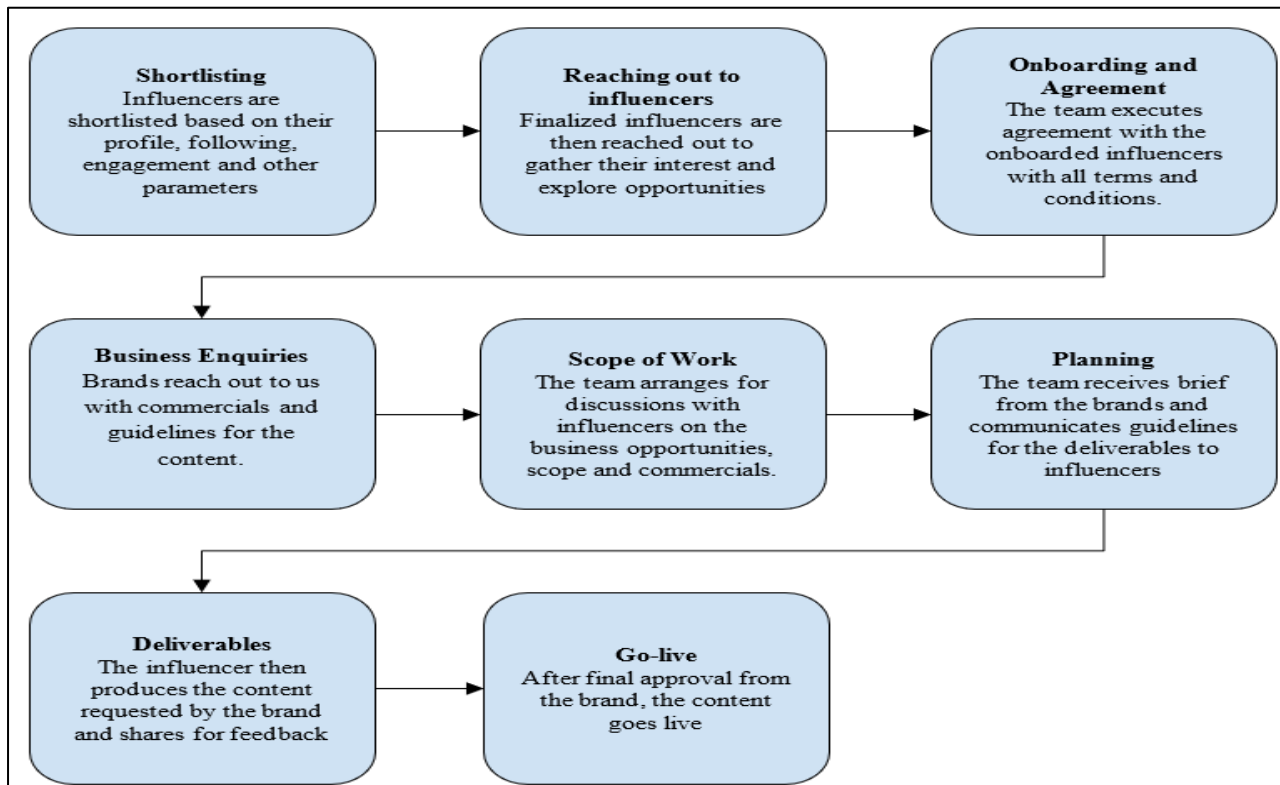
During the **Walk-Through**, a meeting or call is scheduled to discuss the proposal in depth. The team addresses client questions, provides clarifications, and notes any suggestions or concerns.

For **Client Approval**, the campaign plan is refined based on feedback, with updates to influencer details, timelines, or deliverables as needed. The revised proposal is sent to the client for formal sign-off.

Once approved, the **Agreement Execution** phase begins. A formal agreement is drafted and executed, outlining the scope of work (SOW), commercial terms, timelines, and deliverables. Payment milestones and invoice timelines are also confirmed with the client.

The **Campaign Execution** phase follows, where the plan is implemented. Influencers are onboarded, content creation is scheduled and monitored, and deliverables are ensured to meet deadlines. Campaign performance is tracked against predefined KPIs, and progress updates are regularly communicated to the client.

#### **Chtrbox Represent**

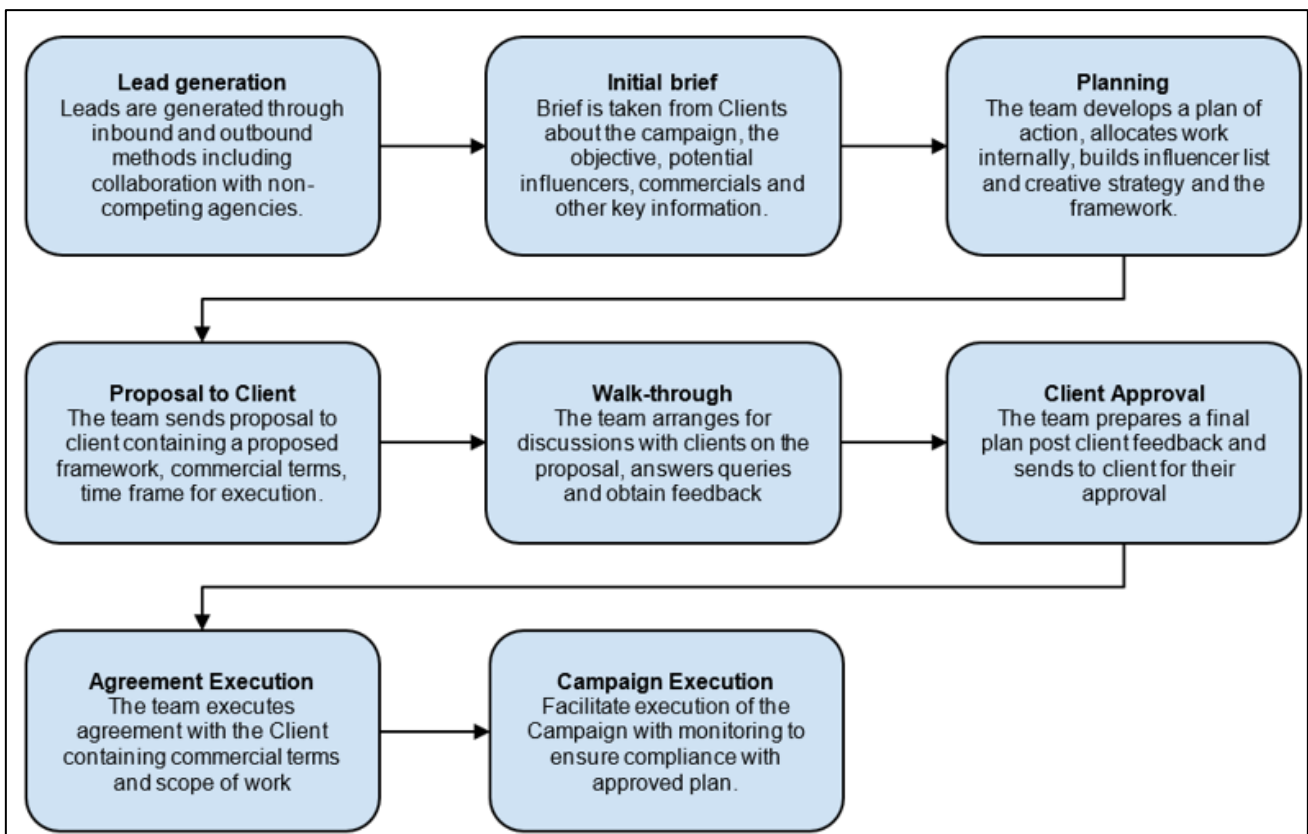


**Process steps are explained as under:**

- **Shortlisting:** We begin by identifying and evaluating potential influencers based on their profile, following, engagement, and other relevant criteria.
- **Reaching Out to Influencers:** After finalizing the shortlist, we contact the influencers to gauge their interest and explore suitable opportunities.
- **Onboarding and Agreement:** Once both parties align on collaboration terms, we draft and finalize an agreement with the onboarded influencers, clearly outlining expectations and conditions.
- **Business Enquiries:** Simultaneously, brands approach us with their commercial requirements and content guidelines for influencer campaigns.
- **Scope of Work:** In response to these enquiries, the team arranges discussions with influencers regarding project objectives, possible scope, and commercials.
- **Planning:** Based on the brand's brief, we communicate the guidelines to the influencers and plan the deliverables accordingly.
- **Deliverables:** The influencer then produces the agreed-upon content, sharing it for review and feedback from both our team and the brand.
- **Go-Live:** Finally, upon receiving approvals and making necessary adjustments, the content goes live to the audience

### **Chtrsocial - Social Media Management**

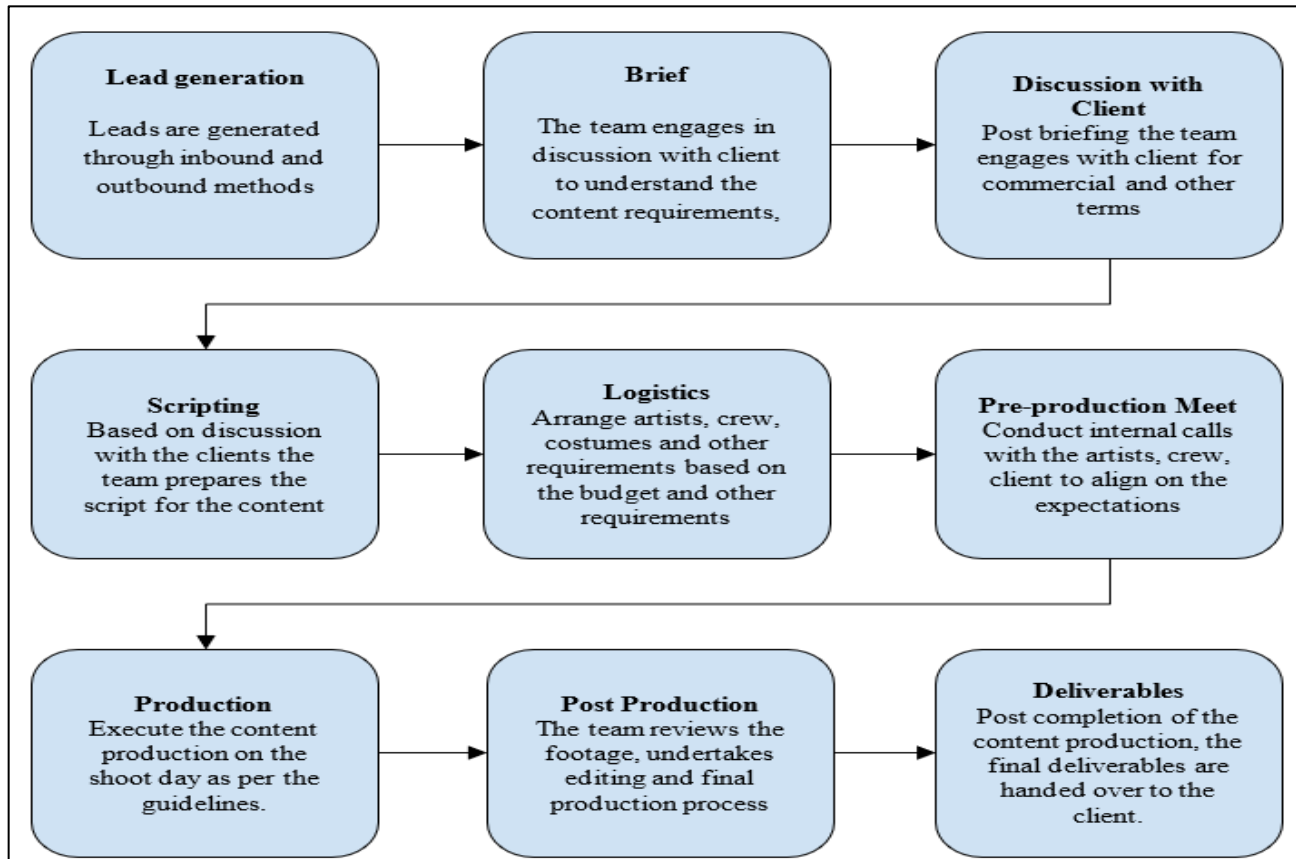
The operational flow for Chtrsocial is as under:



**Process steps are explained as under:**

- **Lead Generation:** We begin by generating leads through both inbound and outbound methods, while also conducting research on the brand.
- **Brief:** Next, we engage in thorough discussions with the client to understand their brand story, target audience, and desired social media narrative.
- **Social Media Plan:** Drawing on these insights, we develop a potential plan that aligns with the client's goals and objectives.
- **Client Onboarding:** Once the plan is approved, we onboard the client for social media management and finalize the commercial terms.
- **Plan of Action:** We then hold monthly discussions with the client to agree on upcoming social media content and scheduling.
- **Content Creation:** Based on the agreed plan, our team organizes shoots or prepares the required posts in line with the client's branding.
- **Posting & Optimization:** After receiving client approval, we publish the content on the client's social media channels and optimize its reach.
- **Analytics:** Finally, we analyze the performance of the posted content and share insights with the client, enabling data-driven strategic decisions.

**Chtrsocal – Ad Production**



- **Lead Generation:** We begin by identifying potential clients through both inbound and outbound methods.
- **Brief:** Once we have potential leads, we engage in discussions with the client to understand their content requirements, timelines, and other essential details.
- **Discussion with Client:** After the brief, we confer with the client to finalize commercial and other important terms.
- **Scripting:** Based on these discussions, our team prepares the script for the content, ensuring it aligns with the client's vision.
- **Logistics:** Next, we arrange artists, crew, costumes, and any additional resources according to the budget and requirements.
- **Pre-production Meet:** An internal call is conducted with the artists, crew, and client to clarify expectations before shooting.
- **Production:** We then execute the content production on the shoot day, adhering strictly to established guidelines.
- **Post Production:** The team reviews all footage, undertakes editing, and completes the final production process.
- **Deliverables:** Once the content is finalized, we hand over the final deliverables to the client, concluding the production process.

#### Plant and Machinery

Since we are a digital marketing services Company, we do not own any major plant and machinery/ equipment. The major assets we own are computer systems, servers, internet connectivity, other communications equipment, security etc., which are required for our business operations to function smoothly and on uninterrupted basis.

## Collaborations

We have not entered into any technical or other collaboration.

## Installed Capacity and Capacity Utilization

We are into the service business and accordingly installed capacity / capacity utilisation is not applicable.

## Infrastructure Facilities / Utilities

### Raw Material

We require mainly employees for providing services and the same are sourced locally. For more details of our employees, please refer para below on “Human Resources”.

### Power

Our total consumption as per last 3 months ended December 2024 billing is 9651 units for office and the same is available from Adani Electricity. The available power supply in our premises is adequate to carry our existing activities.

### Fuel

Our Company do not have any special requirement of fuel to carry out the present business activities.

### Water

We do not have any special need of water for our business. We require water for normal sanitation and the same is available from municipal corporation in the premises we occupy.

### Effluent Treatment Plant (ETP)

We are engaged in the business where there is no effluent generated from the present/ proposed activities, ETP is not required.

## Information Technology

We have deployed NetSuite accounting system to support our accounting functions like sales, accounting and finance.

We use HypeAuditor for influencer data analysis, identification and selection and Google Drive Services for campaign management, performance analysis, tracking etc. and further plan to develop our own software that would enable us to provide features such as influencer statistics across multiple social media platforms, analysis of campaigns undertaken, market trends and analysis, campaign management, live dashboard to monitor impact of campaigns in terms of engagement, reach etc.

## Human Resource

We believe that a motivated and empowered employee base is the key to our operations and business strategy. We source our human resources locally and the same is available easily.

The detailed department wise break-up of our full-time employees as on December 31, 2024 is summarized as under:

Sr. No.	Category / Department	Number of Employees
1.	Key Management Personnel including MD	3
2.	Senior Management Personnel	3
3.	Brand Solutions and Business Development	13
4.	Talent Management	13
5.	Client Servicing & Influencer Relations	27

Sr. No.	Category / Department	Number of Employees
6.	Media Relations (Public Relations)	1
7.	Finance	8
8.	Human Resources	3
9.	Design & Production	9
10.	Social Media & Content	12
11.	Business Development (ChtrSocial)	2
<b>Total</b>		<b>94</b>

We do not have any employees on contract basis at our office.

### Export Possibilities & Export Obligation

Currently, we do not have any outstanding export obligations.

### Intellectual Property

As on the date of this Draft Red Herring Prospectus, our Company has registered following domain names and Social media handles:

#### List of Domain names:

Sl. No.	Domain Name	Date of Regn	Date of Expiration	Name of server	Status
1.	Chtrbox.com	15.07.2015	15.07.2025	ns1cvw.name.com ns2nsw.name.com ns4sxy.name.com	Active
2.	Chtrbox.in	22.11.2024	22.11.2027	ns31.domaincontrol.com ns32.domaincontrol.com	Active
3.	Chtrsocal.com*	29.06.2022	29.06.2025	ns8.wixdns.net ns9.wixdns.net	Active

\*Blazonion owns this domain and Blazonion is acquired by Chatterbox vide Agreement dated August 16, 2022.

#### List of Social media handles:

Name	Handle	URL
Chtrbox	Instagram	<a href="https://www.instagram.com/chtrbox?igsh=OXlpN2pqOGx4eWx1">https://www.instagram.com/chtrbox?igsh=OXlpN2pqOGx4eWx1</a>
ChtrSocial	Instagram	<a href="https://www.instagram.com/chtr.social?igsh=MW81Yjh3M3JxbGU4OA==">https://www.instagram.com/chtr.social?igsh=MW81Yjh3M3JxbGU4OA==</a>
Chtrbox Represent	Instagram	<a href="https://www.instagram.com/chtrbox.represent?igsh=cnhlYXRia2U1Yzdm">https://www.instagram.com/chtrbox.represent?igsh=cnhlYXRia2U1Yzdm</a>
Chtrbox	LinkedIn	<a href="https://www.linkedin.com/company/chtrbox/">https://www.linkedin.com/company/chtrbox/</a>
ChtrSocial	LinkedIn	<a href="https://www.linkedin.com/showcase/chtr-social/">https://www.linkedin.com/showcase/chtr-social/</a>
Chtrbox	Facebook	<a href="https://www.facebook.com/share/HfcKaw8eUiNUUvQD/?mibextid=wwXIf">https://www.facebook.com/share/HfcKaw8eUiNUUvQD/?mibextid=wwXIf</a>

Our Company has not registered trademarks as on the date of this Draft Red Herring Prospectus but has applied for several Trademarks. For further details, please see “**Government and other Key Approvals**” on page 211 of this Draft Red Herring Prospectus and for the information in relation to the risk relating to our intellectual property; please refer to the chapter titled “**Risk Factors**” on page 23 of this Draft Red Herring Prospectus.

### Approach to Marketing and Marketing Set-up

We get most of our business through word-of-mouth publicity in our operating markets. We interact with our customers to get the feedback on the quality of products and services and improve the same as well. The management team regularly stays in touch with our customers. They also regularly approach new customers to try and develop a business relationship. Our Company has been focusing on acquiring new customers through its direct and indirect channels. Till date our top management have been instrumental in getting the business.

Following is the details about specific marketing efforts done by us for Chtrbox and Chtrsocal:

**Chtrbox:**

The company utilizes its internal network of influencers for its own brand-building initiatives, creating authentic and compelling narratives across platforms like Instagram and LinkedIn. Additionally, it focuses on content marketing and shared thought leadership articles that reflect its expertise and insights within the industry. Showcasing its award-winning campaigns is another key strategy, as it builds credibility and reinforces its position as a leader in influencer marketing.

Ultimately, it aims to create a vibrant conversation around its company - one that reflects its values, celebrates its achievements, and engages both influencers and brands alike. It's all about building relationships and trust, both online and offline.

**Chtrsocal:**

It maintains a consistent connection with potential clients with its newsletter and social media presence on platforms like LinkedIn and Instagram, showcasing case studies, client success stories, and insights from industry experts.

Additionally, the company is actively participating in marketing and advertising events to generate leads and engage with potential clients for both Chtrbox and Chtrsocal.

**Details of our Top Customers**

Based on the restated financial statement, the table below sets forth details of revenue from operations generated from our top 5 and 10 customers for the period ended on December 31, 2024 and financial year ended March 31, 2024, March 31, 2023 and March 31, 2022 respectively:

(₹ in lakhs, except for percentage)

Particulars	31.12.2024		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount	% #	Amount	% #	Amount	% #	Amount	% #
Top 3 Customers	865.33	19.33%	2,170.31	39.57%	1,010.33	25.31%	1,024.58	32.30%
Top 5 Customers	1,154.82	25.79%	2,674.10	48.75%	1,457.24	36.51%	1,319.94	41.61%
Top 10 Customers	1,587.95	35.47%	3,262.78	59.48%	2,123.39	53.20%	1,667.40	52.57%

#as a percentage of total Revenue

**Competition**

We operate in a competitive market and competition is based primarily on quality of services and pricing of such services. To remain competitive in the market we strive to improve our sales & marketing efforts, reduce cost and improve operating efficiencies. If we fail to maintain our strengths, our competitors will gain an advantage over us, which would adversely affect our market share and results of operation. We face competition from those who may be better capitalized, have longer operating history, have greater brand presence, and better management than us. If we are unable to manage our business, it might impede our competitive position and profitability. We intend to continue competing vigorously to capture more market share and adding more management personnel to manage our growth in an optimal way.

In the future, we may also face competition from new entrants in the segment. Some of these players may already have robust business networks, which could eat into our market share. Some of our competitors are larger than we are, have greater financial resources than we do, and may be able to deliver products and services on more attractive terms or to invest larger amounts of capital into their businesses, including expenditure for better and more efficient marketing and delivery.

**Immovable Property**

Our Company does not own any immovable properties as on the date of this DRHP.

Our Company has taken the following immovable properties on leave & license basis:

Address / Description of Premises	Name of Licensor	Term	Purpose
Unit No. 101 VIP Plaza Cooperative Premises Society Ltd, Andheri New Link Road, Opp Infinity Mall Behind Crystal	Triple Ace Compusoft Technologies Private Limited	60 months from April 01, 2023 Lock in period of 39 months from April 01, 2023	Registered Office



Address / Description of Premises	Name of Licensor	Term	Purpose
Plaza, Andheri, Mumbai - 400053, Maharashtra, India.	Agreement dated April 18, 2023	Present Rent : Rs. 3,67,500/- p.m. upto March 31, 2025 thereafter to be increased by 5% every year.  Security Deposit: Rs. 21,00,000/-	

## Insurance

The details of the insurance cover taken by our Company is set forth below:

Sr. No.	Cover	Policy Name	Risk Covered for	Sum Insured Amount (Rs. In Lakhs)	Policy No.	Expiry Date	Insurance Company
1	D & O	Directors And Officers Liability Insurance	Loss for Extradition, Deportation and Assets Protection including Corporate Manslaughter Cover	1000	2024-L0263686 - FDO	12 May 2025	Future Generali India Insurance Company Ltd
2	E & O	Errors and Omissions Liability Miscellaneous Professional Indemnity	Professional Indemnity	1000	41093078	5 Aug 2025	IFFCO TOKIO General Insurance Company Limited

## KEY INDUSTRIAL REGULATIONS AND POLICIES IN INDIA

*The following description is a summary of certain sector-specific laws currently in force in India, which are applicable to our Company. The information detailed in this chapter has been obtained from publications available in the public domain. The description below may not be exhaustive and is only intended to provide general information to investors, and is neither designed as, nor intended to substitute, professional legal advice. Judicial and administrative interpretations are subject to modification or clarification by subsequent legislative, judicial, or administrative decisions. The information detailed in this chapter has been obtained from various legislations, including rules and regulations promulgated by the regulatory bodies that are available in the public domain.*

*The Company may be required to obtain licenses and approvals depending upon the prevailing laws and regulations as applicable. For information on regulatory approvals obtained by us, please refer “Government and Other Approvals” on page 211. We are required to obtain and regularly renew certain licenses / registrations / sanctions / permissions required statutorily under the provisions of various Central and State Government regulations, rules, bye laws, acts, and policies. Additionally, the projects undertaken by us require, at various stages, the sanction of the concerned authorities under the relevant central and state legislations and local byelaws.*

*Following is an overview of some of the important laws and regulations, which are relevant to our business.*

### **INDUSTRY-SPECIFIC REGULATIONS**

#### ***The Information Technology Act, 2000 (the “IT Act”) and the rules made thereunder***

The IT Act seeks to (i) provide legal recognition to transactions carried out by various means of electronic data interchange involving alternatives to paper-based methods of communication and storage of information, (ii) facilitate electronic filing of documents and (iii) create a mechanism for the authentication of electronic documentation through digital signatures. The IT Act prescribes punishment for publishing and transmitting obscene material in electronic form. The IT Act provides for extraterritorial jurisdiction over any offence or contravention under the IT Act committed outside India by any person, irrespective of their nationality, if the act or conduct constituting the offence or contravention involves a computer, computer system or computer network located in India. Additionally, the IT Act empowers the Government of India to direct any of its agencies to intercept, monitor or decrypt any information in the interest of sovereignty, integrity, defence and security of India, among other things. The Information Technology (Procedure and Safeguards for Blocking for Access of Information by Public) Rules, 2009 specifically permit the Government of India to block access of any information generated, transmitted, received, stored or hosted in any computer resource by the public, the reasons for which are required to be recorded by it in writing.

The IT Act facilitates electronic commerce by recognizing contracts concluded through electronic means, protects intermediaries in respect of third party information liability and creates liability for failure to protect sensitive personal data. The IT Act also prescribes civil and criminal liability including fines and imprisonment for computer related offences including those relating to unauthorized access to computer systems, tampering with or unauthorised manipulation of any computer, computer system or computer network and, damaging computer systems and creates liability for negligence in dealing with or handling any sensitive personal data or information in a computer resource and in maintaining reasonable security practices and procedures in relation thereto.

The IT Act empowers the Government of India to formulate rules with respect to reasonable security practices and procedures and sensitive personal data. In exercise of this power, the Department of Information Technology, Ministry of Electronics and Information Technology, Government of India (“DoIT”), in April 2011, notified the Information Technology (Reasonable Security Practices and Procedures and Sensitive Personal Data or Information) Rules, 2011 (“IT Security Rules”) which prescribe directions for the collection, disclosure, transfer and protection of sensitive personal data by a body corporate or any person acting on behalf of a body corporate.

The IT Security Rules require every such body corporate to provide a privacy policy for handling and dealing with personal information, including sensitive personal data, ensuring security of all personal data collected by it and publishing such policy on its website. The IT Security Rules further require that all such personal data be used solely for the purposes for which it was collected and any third party disclosure of such data is made with the prior consent of the information provider, unless contractually agreed upon between them or where such disclosure is mandated by law.

The DoIT also notified the Information Technology (Intermediaries Guidelines) Rules, 2011 (“IT Intermediary Rules”) requiring intermediaries receiving, storing, transmitting or providing any service with respect to electronic messages to not

knowingly host, publish, transmit, select or modify any information prohibited under these IT Intermediaries Rules and to disable hosting, publishing, transmission, selection or modification of such information once they become aware of it.

### ***The Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021***

Intermediaries are entities that store or transmit data on behalf of other persons, and include telecom and internet service providers, online marketplaces, search engines, and social media sites. The Information Technology Act, 2000 (IT Act) was amended in 2008 to provide an exemption to intermediaries from liability for any third party information. Following this, the IT (Intermediary Guidelines) Rules, 2011 were framed under the IT Act to specify the due diligence requirements for intermediaries to claim such exemption. The Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021 were notified on February 25, 2021, to replace the 2011 Rules. Key additions under the 2021 Rules include additional due diligence requirements for certain social media intermediaries, and a framework for regulating the content of online publishers of news and current affairs, and curated audio-visual content. The Ministry of Electronics and Information Technology noted that the changes were necessitated due to widespread concerns around: (i) prevalence of child pornography and content depicting sexual violence, (ii) spread of fake news, (iii) misuse of social media, (iv) content regulation in case of online publishers including OTT platforms and news portals, (v) lack of transparency and accountability from digital platforms, and (vi) rights of users of digital media platforms.

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

The Micro, Small and Medium Enterprises Development Act, 2006 and Industries (Development and Regulation) Act, 1951 The Micro, Small and Medium Enterprises Development Act, 2006 (“MSME Act”) In order to promote and enhance the competitiveness of Micro, Small and Medium Enterprise (MSME) the Micro, Small and Medium Enterprises Development Act, 2006 is enacted. A National Board shall be appointed and established by the Central Government for MSME enterprise with its head office at Delhi in the case of the enterprises engaged in the manufacture or production of goods pertaining to any industry mentioned in first schedule to Industries (Development and Regulation) Act, 1951.

### **Regulation of online intermediaries**

Intermediaries include a vast array of entities who facilitate the flow of data on internet. These include telecom service providers, internet service providers, search engines, online marketplaces, payment sites, cyber cafes, messaging services, and social media sites. While many intermediaries are mere conduits or storage providers, where they are unaware of the content being transmitted or stored on their platform, other intermediaries may be aware of the user-generated content on their platform. This raises the question that to what extent intermediaries should be held liable for the user-generated content on their platform.

In some jurisdictions such as European Union and India, intermediaries are regulated through the safe harbour model. Under this model, intermediaries are granted immunity from any liability for any illegal user-generated content provided they comply with certain requirements. The intermediaries remain immune from liability unless they are aware of the illegality and are not acting adequately to stop it. They are subject to ‘duties of care’ and ‘notice and take down’ obligations to remove illegal content.

In recent years, some online platforms have gained a central role in enabling access, facilitating the exchange of information and sharing of information at scale. Many online platforms have expanded their role from mere hosts of information to that of entities governing how content is displayed and shared online, and undertaking significant actions in the areas of moderation, curation, and recommendation. There are growing concerns around misuse of these platforms for the proliferation of illegal or harmful content such as child sex abuse material, content provoking terrorism, misinformation, hate speech, and voter manipulation. This has raised questions on the role and responsibility of platforms in preventing diffusion, detection, and subsequent removal of such content.

Some platforms have been self-regulating the publication of such content. However, this has raised concerns about arbitrary actions taken by these platforms which could affect freedom of speech and expression. These developments pose an important challenge for the regulatory framework for intermediaries in terms of finding the correct balance between enhancing the role of platforms and governments in detection, moderation, and curation, and protection of individual’s rights. The 2021 Rules may address some of these issues. Implications of certain provisions under the Rules are discussed in the following sections.

### ***The Digital Personal Data Protection Act, 2023 (“DPDP Act”)***

The Digital Personal Data Protection Act, 2023 (also known as DPDP Act or DPDPA-2023) is an act of the Parliament of India to provide for the processing of digital personal data in a manner that recognises both the right of individuals to protect their personal data and the need to process such personal data for lawful purposes and for matters connected therewith or incidental thereto.[1] This is the first Act of the Parliament of India where "she/her" pronouns were used unlike the usual "he/him" pronouns

The Bill provides for the processing of digital personal data in a manner that recognizes both the rights of the individuals to protect their personal data and the need to process such personal data for lawful purposes and for matters connected therewith or incidental thereto. The DPDP Rules under the DPDP Act are yet to be notified.

#### ***Consumer Protection Act, 2019***

The Act aims to protect consumer interests, including addressing unfair trade practices, defective goods, and deficiency in services. The Act has a widened definition of "consumer" and include persons who buy or avail of goods or services online or through electronic means. It also defines "advertisement" as any audio or visual publicity, representation, endorsement or pronouncement made by means of light, sound, smoke, gas, print, electronic media, internet or website and includes any notice, circular, label, wrapper, invoice or such other documents.

#### ***The Guidelines for Prevention of Misleading Advertisements and Endorsements for Misleading Advertisements, 2022***

These guidelines set standards to prevent false or misleading advertisements and regulate endorsements by celebrities and influencers. The objective of these guidelines is to curb misleading advertisements and protect the consumers, who may be exploited or affected by such advertisements. As per these guidelines, due diligence is required for endorsement of advertisements so that any such endorsement in an advertisement must reflect the genuine, reasonably current opinion of the individual, group or organisation making such representation and must be based on adequate information about, or experience with, the identified goods, product or service and must not otherwise be deceptive. Further, these guidelines state that where there exists a connection between the endorser and the trader, manufacturer or advertiser of the endorsed product that might materially affect the value or credibility of the endorsement and the connection is not reasonably expected by the audience, such connection shall be fully disclosed while making the endorsement.

#### ***The Code for Self-Regulation Of Advertising Content In India and ASCI Guidelines ("ASCI Code and Guidelines")***

The ASCI Code and Guidelines provide specific standards for responsible advertising, the purpose of the which is to control the content of advertisements, not to hamper the sale of products which may be found offensive, for whatever reason, by some people. Provided, therefore, that advertisements for such products are not themselves offensive, there will normally be no ground for objection to them in terms of this ASCI Code and Guidelines.

#### ***The Maharashtra Shops and Establishments (Regulation of Employment and Conditions of Service) Act***

The Act aims to regulate employment conditions and safeguard employee rights in establishments across the state. It governs various aspects such as terms of service, work hours, rest intervals, overtime, opening and closing hours, weekly holidays, and annual leaves, including casual leave. The Act also provides for maternity leave and benefits, ensuring protection for female employees, and mandates safe and humane working conditions. Employers are required to maintain prescribed registers and records for compliance purposes. The Act strives to promote fair labour practices and balance employer-employee relations while adhering to welfare norms.

#### ***The Foreign Trade (Development and Regulation) Act, 1992 ("Foreign Trade Act")***

The Foreign Trade Act includes provisions which govern and facilitate the imports and exports to and from India. Imports and exports are permitted by persons who hold an "Importer-exporter code number" ("IEC"). Such imports and exports must be carried out in accordance to the laws and export and import policy issued by the Central Government, from time to time. In the event of any contravention of the laws relating to central excise or customs or foreign exchange or any other economic offence under any other law for the time being in force as may be specified by the Central Government by notification in the Official Gazette or if an export or import has been carried out in a manner gravely prejudicial to the trade relations of India with any foreign country or to the interests of other persons engaged in imports or exports or has brought disrepute to the credit or the goods of the country, these instances may result in the suspension and cancellation of the IEC number.

#### ***The Trademarks Act, 1999 ("Trademarks Act")***

Trademarks enjoy protection under both statutory and common law and Indian trademark law permits the registration of trademarks for both goods and services. The Trademarks Act governs the statutory protection of trademarks and the prevention of the use of fraudulent marks in India. Under the provisions of the Trademarks Act, an application for trademark registration may be made before the Trademark Registry by any person claiming to be the proprietor of a trade mark, whether individual or joint applicants, and can be made on the basis of either actual use or intention to use a trademark in the future.

Once granted, a trademark registration is valid for 10 years unless cancelled, subsequent to which, it can be renewed. If not renewed, the mark lapses and the registration is required to be restored. The Trademarks Act prohibits registration of deceptively similar trademarks and provides for penalties for infringement, falsifying and falsely applying trademarks. Further, pursuant to the notification of the Trademark (Amendment) Act, 2010 simultaneous protection of trademark in India and other countries has been made available to owners of Indian and foreign trademarks. The Trademark (Amendment) Act, 2010 also seeks to simplify the law relating to transfer of ownership of trademarks by assignment or transmission and to conform Indian trademark law with international practice.

### ***The Patents Act, 1970 (“Patents Act”)***

The Patents Act recognises both product and process patents and prescribes eligibility criteria for grant of patents, including the requirement that an invention satisfy the requirements of novelty, inventive step and industrial applicability in order for it to avail patent protection. However, the Patents Act also provides that patent protection may not be granted to certain specified types of inventions and materials even if they satisfy such criteria. Application by an Indian resident to any foreign authority in respect of an invention made outside India is prohibited without first making an application for the invention in India. Once granted, a patent remains valid for a period of twenty years from the date of filing of the patent application, subsequent to which it can be renewed.

While the Patents Act prohibits patentability of a ‘computer programme’ as such, computer programmes in combination with a novel hardware are patentable. Computer programmes on their own are excluded from patent protection and are protected as a literary work under the Copyright Act (defined below). In terms of the Patent Act, the patentee holds the exclusive right to prevent third parties from the using, offering for sale, selling or importing for such purposes, the patented product or product obtained directly by a process patented in India.

### ***The Copyright Act, 1957 (“Copyright Act”)***

The Copyright Act governs copyrights subsisting in original literary, dramatic, musical or artistic works, cinematograph films, and sound recordings, including computer programmes, tables and compilations including computer databases. Software, both in source and object code, constitutes a literary work under Indian law and is afforded copyright protection and the owner of such software becomes entitled to protect his works against unauthorised use and misappropriation of the copyrighted work or a substantial part thereof. Any act of this nature entitles the copyright owner to obtain relief from a court of law including injunction, damages and accounts of profits. Further, copyright registration is not a prerequisite for acquiring or enforcing a copyright in an otherwise copyrightable work and once registered, copyright protection remains valid until expiry of sixty years from the demise of the author.

Reproduction of a copyrighted software for sale or hire or commercial rental, offer for sale or commercial rental, issuing copy(ies) of the computer programme or making an adaptation of the work without consent of the copyright owner amount to infringement of the copyright. However, the Copyright Act prescribes certain fair use exceptions which permit certain acts, which would otherwise be considered copyright infringement.

### ***Competition Act, 2002***

The Competition Act, 2002 came into effect on June 1, 2011, and has been enacted to “prohibit 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. The Act prohibits Combinations which are likely to cause an appreciable adverse effect on competition in a relevant market in India. The CCI may enquire into all combinations, even if taking place outside India, or between parties outside India, if such combination is likely to have an appreciable adverse effect on competition in India.

### ***Negotiable Instruments Act, 1881***

In India, any negotiable instruments such as cheques are governed by this Act, Section 138 of the Act, makes dishonor of cheques a criminal offence if the cheque is dishonored on the ground of insufficiency of funds in the account maintained by a person who draws the cheque which is punishable with imprisonment as well as fine.

### ***Laws relating to taxation***

The tax related laws along with their respective rules that may be applicable to the operations of our Company include:

1. the Income Tax Act 1961, as amended by the Finance Act in respective years
2. Central Goods and Services Tax Act, 2017, (along with the various state-wise legislations issued thereunder);
3. The Integrated Goods and Service Tax Act, 2017; and
4. Professional Tax state-wise legislations.

### ***Laws governing foreign investments***

Foreign investment in India is governed by the provisions of FEMA Non-Debt Instruments Rules along with the FDI Policy issued by the DPIIT, from time to time. Further, the RBI has enacted the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 which regulate the mode of payment and reporting requirements for investments in India by a person resident outside India.

Under the current FDI Policy (effective October 15, 2020) 26% foreign direct investment is permitted in Digital Media sector, under the Government route, subject to compliance with prescribed conditions.

In terms of the SEBI FPI Regulations, the investment in Equity Shares by a single FPI or an investor group (which means multiple entities registered as FPIs and directly or indirectly having common ownership of more than 50% or common control) must be below 10% of our post-Offer Equity Share capital. Further, in terms of the FEMA Non-Debt Instruments Rules, the total holding by each FPI or an investor group shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together with effect from April 1, 2020, can be up to the sectoral cap applicable to the sector in which our Company operates.

### ***Laws relating to Employment***

Certain other laws and regulations that may be applicable to our Company in India include the following:

- EPFMP Act, 1952;
- Employees' State Insurance Act, 1948;
- Equal Remuneration Act, 1976;
- The Maternity Benefit Act, 1961;
- Minimum Wages Act, 1948;
- Payment of Bonus Act, 1965;
- Payment of Gratuity Act, 1972;
- Code of Wages, 2019; and
- Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

### ***Indian Contract Act, 1872***

The Indian Contract Act, 1872 provides for seeking data protection under contract law and common law, by incorporating confidentiality and data protection clauses in contracts. According to this Act, when a party commits a breach of contract, the other party is entitled to receive compensation for any loss or damage caused to it. Specific performance of the contract is also a remedy under the Act. Thus companies acting as 'data importers' may enter into contracts with 'data exporters' to adhere to a high standard of data protection.

### ***The Specific Relief Act, 1963***

The Specific Relief Act is complimentary to the provisions of the Contract Act and the T.P. Act, as the Act applies both to movable property and immovable property. The Act applies in cases where the Court can order specific performance of a contract. Specific relief can be granted only for purpose of enforcing individual civil rights and not for the mere purpose of enforcing a civil law. 'Specific performance' means Court will order the party to perform his part of agreement, instead of imposing on him any monetary liability to pay damages to other party.

### **Other Laws and Regulations**

In addition to the above, our Company is also required to comply with the provisions of the Companies Act, and other applicable statutes imposed by the Centre or the State for its day-to-day operations. Our Company is also amenable to various central and state tax laws.

## HISTORY AND CERTAIN CORPORATE MATTERS

### Brief History of our Company

Our Company was incorporated as Chatterbox Technologies Private Limited on March 03, 2016 under the Companies Act, 2013 with the Registrar of Companies, Maharashtra at Mumbai. The status of the Company was changed to public limited and the name of our Company was changed to Chatterbox Technologies Limited vide Special Resolution dated October 28, 2024. The fresh certificate of incorporation consequent to conversion was issued on December 04, 2024 by the Registrar of Companies, Central Processing Centre.

Our corporate identification number is U93000MH2016PLC273833.

The Promoters of our Company are QYOU Media Inc. and Rajnandan Mishra.

### Names of signatories to the Memorandum of Association of the Company and the number of Equity Shares subscribed by them:

The names of the signatories of the Memorandum of Association of the Company and the number of Equity Shares subscribed for by them at the time of signing of the Memorandum of Association: *90,000 Equity Shares by Rohit Raj and 10,000 Equity Shares by Varun Duggirala.*

As on date QYOU Media Inc. and Rajnandan Mishra are the Promoters of the Company.

### Changes in our Registered Office:

There has been no change in registered office of our Company since incorporation, except as under:

Date of Change	Address of Registered office	Address of new Registered office after change	Reason for change
August 01, 2018	1101, 11th floor, Cresent Royale, Next To Morya House, Opp Infinity Mall, Andheri(w), Mumbai – 400053, Maharashtra	1102, 11th floor, Cresent Royale, Next To Morya House, Opp Infinity Mall, Andheri(w), Mumbai – 400053, Maharashtra	Expiry of Lease
June 01, 2023	1102, 11th floor, Cresent Royale, Next To Morya House, Opp Infinity Mall, Andheri(w), Mumbai – 400053, Maharashtra	Unit No. 101 VIP Plaza Cooperative Premises Society Ltd, Andheri New Link Road, Opp Infinity Mall Behind Crystal Plaza, Andheri, Mumbai - 400053, Maharashtra, India	Administrative convenience

Our registered office at present is situated at Unit No. 101 VIP Plaza Cooperative Premises Society Ltd, Andheri New Link Road, Opp Infinity Mall Behind Crystal Plaza, Andheri, Mumbai - 400053, Maharashtra, India.

### Major Events and Milestones

The table below sets forth some of the key events in the history of our Company:

Year	Event
2016	Incorporation of our Company.  Launch of CHTRBOX – for Influencer Marketing  Launch of YOUTH:INK – for Campus / GenZ marketing
2018	Launch of CHTRBOX REPRESENT - a dedicated talent management division aimed at empowering India's emerging digital talent
2020	Launch of BHARATBOX – India's first integrated marketing platform for Regional Creators



Year	Event
2021	Acquisition of Chatterbox by QYOU Media Inc., TSX Venture Exchange Listed Canadian Influencer Marketing Group for going global by CHTR INTERNATIONAL
2022	<p>Launch of CHTRSOCIAL, a dedicated social media management and brand design wing.</p> <p>Acquired BLAZONION, a partnership firm, alongwith 17 employees and Darshil Shah Karia, partner to manage the Company's social media management and brand design division, CHTRSOCIAL</p>
2023	<p>Awarded Best Brand Engagement Campaign for Campaign - #nofilterbyIndigo in collab with National Geographic India &amp; Chtrbox by Entrepreneur India</p> <p>Awarded “Best Influencer Marketing Agency of the Year” by Entrepreneur India</p> <p>Awarded “Talent Management Agency of the Year” by Social Samosa's Agency Con</p> <p>Awarded “Special Mention for ChtrSocial X Spotify Premium 2023 Holi Flash Sale” at Masters of Modern Marketing Awards 2023 by Global Trends Forum and Inkspell</p> <p>Awarded “Millenial Agency Leader of the Year” to Mrunali Dedhia by Millenial Achievers</p> <p>Awarded “Emerging Leader Award 2023” to Mrunali Dedhia, founding employee of the Company, by TellyChakkar Wonder Women</p> <p>Awarded e4m Content Top 40 under 40 to Karan Pherwani</p>
2024	<p>Converted the Company to Limited Company for the purpose of IPO</p> <p>Awarded Best Storytelling Campaign for Campaign - #nofilterbyIndigo in collab with National Geographic India &amp; Chtrbox by Impact Digital Influencers awards</p> <p>Awarded “Influencer Marketing Agency of the Year, Runners Up” by e4m Media Ace Awards</p> <p>Awarded Silver in “Talent Management Agency of the Year” by Social Samosa's AgencyCon</p> <p>Chtrsocal Won Best Product Launch Campaign for ‘Tyaani – one of a kind’ at Digione Best of Internet Awards 2024 by Exchange4Media</p> <p>Awarded Best Digital Influencer Marketing Campaign of the year for Campaign – Disney100 by DMEA awards by Indian Television</p> <p>Awarded Best Influencer Marketing Campaign (Gold) for Campaign – Disney100 by Media Ace Awards by Afaqs</p> <p>Awarded Most effective use of Influencer Marketing for Campaign – Hum Kaagaz Se Zyaada Neeyat Dekhte Hain - Piramal Finance by Pitch BFSI Marketing Awards by E4M</p> <p>ET Brand Equity DigiPlus Awards 2024 – Gold in Festive Marketing Category – Smotect &amp; Chtrsocal - Chuno Azadi Campaign</p> <p>Awarded Best use of Video for Social Media – West Zone – Bronze for Smotect Azadi – Awarded to Chatterbox by Afaqs! Foxglove Awards.</p> <p>Awarded IMPACT Top 30 under 30 for 2024 to Mrunali Dedhia</p> <p>Awarded “Influencer Marketing Professional of the Year” to Mrunali Dedhia by Social Samosa's Agency Con</p> <p>Awarded “Creative Enterprenuer of the Year” to Darshil Shah by Enterprenuer India.</p>

#### Significant financial and strategic partners

As on the date of the Draft Red Herring Prospectus, our Company does not have any significant financial or strategic partners.

### **Time and cost overrun**

Our Company has not experienced any significant time and cost overrun in its business.

### **Launch of Key Products or services**

Except for entering into Chtrsocial in the year 2022, our company has not entered into any new key services during the last three fiscals and during the period ended on December 31, 2024. For details of key products or services launched by our Company, entry into new geographies or exit from existing markets, facility creation, location of our facilities, see “*Our Business*” beginning on page 111.

### **Defaults or rescheduling of borrowings with financial institutions/ banks and conversion of loans into equity**

There have been no defaults or rescheduling of borrowings with financial institutions in respect of our current borrowings from lenders.

### **Material Acquisitions or Divestments of Business/Undertakings, Mergers, Amalgamations or Revaluation of Assets, in the last ten years**

Except as disclosed below, our Company has not undertaken any material acquisitions or divestments of business/undertakings, mergers, amalgamations, or revaluation of assets in the last ten years:

Our Company acquired M/s. BLAZONION, a partnership firm, alongwith 17 employees and Darshil Shah Karia, partner vide agreement dated August 16, 2022 to manage the Company’s social media marketing division, CHTRSOCIAL.

### **Main Objects of our Company:**

The main objects of our Company, as contained in our Memorandum of Association, are as set forth below:

- 1) To carry on the business of Software designing, development, customisation, implementation, maintenance, testing and benchmarking, designing, developing and dealing in computer or Android or other operating system based software and solutions, and to import, export, sell, purchase, distribute, host (in data centres or over the web) or otherwise deal in own and third party computer software packages, programs and solutions, and to provide internet / web based applications, services and solutions, such as social media management, celebrity marketing, talent management, influencer marketing and digital marketing, provide or take up Information technology related assignments on sub-contracting basis, offering services on-site/ offsite or through development centres using owned /hired or third party infrastructure and equipment, providing recruitment and HR related services, providing and taking personnel / consultants/ human resources to / from other organizations, providing solutions/ Packages/ services through applications services provider mode via internet or otherwise, to undertake IT enabled services like call Centre Management, Medical and legal transcription, data processing, Back office processing, Accounting, HR and payroll processing, Insurance claims processing, credit card processing, loans and letters of credit processing, cheque processing, data warehousing and database management, to carry on the business of manufacturing, dealing and maintenance of computer hardware, computer systems and assemble data processors, program designs and to buy, sell or otherwise deal in such hardware and software packages and all types of tabulating machine, accounting machines, calculators, computerised telecommunication systems and network, their components, spare parts, equipments and devices and to carry on the business of establishing, running and managing institutions, school, and academics for imparting education in computer technology, offering equipment, solutions and services for Networking and network management, data centre management and in providing consultancy services in all above mentioned areas..
- 2) To manufacture, sell, export, import all kinds of electric & electronic components capable of being used in Electrical & mechanical and electronic Industries including Computers telecommunications to carry our software research and development, to design and develop system software, application software and any other software in India and abroad to start Integrated services Digital Local Network ( ISDLAN ) dial for data Centres technology parks, wide area network Internet, user net, cyber café services in India and abroad

The main objects as contained in the Memorandum of Association enable our Company to carry on the business presently being carried out as well as to carry on the activities for which the funds are being raised in the Issue.

### Amendments to the Memorandum of Association

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

Particulars of Changes in Authorised Capital		Date of Members Meeting	AGM/EGM
From	To		
`10,00,000 consisting of 1,00,000 Equity shares of `10.00 each.	`20,00,000 consisting of 2,00,000 Equity shares of `10.00 each.	March 15, 2016	EGM
`20,00,000 consisting of 2,00,000 Equity shares of `10.00 each.	`16,00,00,000 consisting of 1,60,00,000 Equity shares of `10.00 each.	November 22, 2024	EGM

Date of Shareholders' Resolution	Nature of Other Amendment
December 04, 2024	Our Company was converted into a public limited company and the name of our Company was changed to 'Chatterbox Technologies Limited'
November 22, 2024	Change in the main object clause. "such as social media management, celebrity marketing, talent management, influencer marketing and digital marketing" has been added in the object clause III (A)

Further, we confirm that no material clause of Memorandum / Article of Association, having bearing on the IPO/disclosure have been left out from disclosure in this Draft Red Herring Prospectus.

### Changes in the Management

QYOU Media Inc. acquired the majority stake in Chatterbox on June 21, 2021. There has been no change in the management of our Company since June 2021.

### Defaults or rescheduling of borrowings from financial institutions/ banks and conversion of loans into equity

No defaults have been called by any financial institution or bank in relation to borrowings from financial institutions or banks. For details of our financing arrangements, please refer "**Financial Indebtedness**" on page 204. Further, except as stated in the section "**Capital Structure**" beginning on page 62, none of our loans have been rescheduled or been converted into Equity Shares.

### Lock outs and strikes

There have been no lock outs or strikes at any of the offices of our Company.

### Time and cost overruns

Our Company has not experienced any time or cost overrun in relation to any of the projects implemented.

### Details regarding acquisition of business/undertakings, mergers, amalgamations, and revaluation of assets

Our Company has not acquired any business or undertaking, and has not undertaken any merger, amalgamation, or revaluation of assets.

### Holding Company of our Company

As on the date of the Draft Red Herring Prospectus, QYOU Media Inc., Toronto Listed Canadian Influencer Marketing Company is our Holding Company and holds 71,23,707 (68.39%) equity shares in our Company. For further details about QYOU Media Inc. please refer to the chapter titled "**Our Promoters and Promoter Group**" beginning on page 150 of the Draft Red Herring Prospectus.

**Subsidiary of our Company**

As of the date of the Draft Red Herring Prospectus, our Company does not have a subsidiary company.

**Collaboration Agreements**

As on the date of the Draft Red Herring Prospectus, our Company is not a party to any collaboration agreements.

**Shareholders' Agreements**

As on the date of the Draft Red Herring Prospectus, our Company has not entered into any shareholders' agreements.

**Material Agreements**

We have not entered into any material contract, not being a contract entered into in the ordinary course of business carried on or intended to be carried on by us or contract entered into more than two years before the filing of the Draft Red Herring Prospectus.

**Number of Shareholders**

Our Company has 22 (Twenty Two) shareholders on date of the Draft Red Herring Prospectus.

## OUR MANAGEMENT

### Board of Directors

Under our Articles of Association, we are required to have not less than three directors and not more than 15 Directors. As on the date of this Draft Red Herring Prospectus, we have 6 Directors on our Board.

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

Name, Designation, Address, Date of Birth, Age, Occupation, Term, Period of Directorship and DIN	Other Directorships
<p><b>Curt Marvis</b></p> <p><i>Designation: Non-Executive Chairman</i></p> <p><i>Address: 1529, S Beverly, Drive Unit 5, Los Angeles, California – 90035, USA</i></p> <p><i>Date of Birth: May 21, 1956</i></p> <p><i>Age: 68 years</i></p> <p><i>Occupation: Service</i></p> <p><i>Term: Redesignated as Non-Executive Chairman vide Board Resolution dated December 04, 2024, liable to retire by rotation.</i></p> <p><i>Period of Directorship: Director since May 31, 2021</i></p> <p><i>DIN: 08231593</i></p>	<ul style="list-style-type: none"> <li>• <b><u>Indian Companies</u></b></li> <li>• Maxamtech Digital Ventures Private Limited</li> <li>• QYOU Media India Private Limited</li> <li>• <b><u>Foreign Companies</u></b></li> <li>• NFT Technologies Inc.</li> <li>• QYOU Media Inc.</li> <li>• <b><u>LLPs</u></b></li> <li>• Nil</li> </ul>
<p><b>Rajnandan Mishra</b></p> <p><i>Designation: Managing Director</i></p> <p><i>Address: House no. C802, Emaar Palm Drive, Sector 66, South City – II, PO: Gurgaon South City II, Dist. Gurgaon, Haryana, 122018</i></p> <p><i>Date of Birth: May 03, 1987</i></p> <p><i>Age: 37 years</i></p> <p><i>Occupation: Service</i></p> <p><i>Term: Redesignated as Managing Director w.e.f. December 01, 2024 for a period of Five years.</i></p> <p><i>Period of Directorship: Appointed as CEO w.e.f. December 12, 2023 and as Additional Director since October 25, 2024</i></p> <p><i>DIN: 10815241</i></p>	<ul style="list-style-type: none"> <li>• <b><u>Companies</u></b></li> <li>• QYOU Media India Private Limited</li> <li>• <b><u>LLPs</u></b></li> <li>• Nil</li> </ul>
<p><b>Kevin Richard Williams</b></p> <p><i>Designation: Non-Executive Director</i></p> <p><i>Address: 348, Mountain View DR, Milton, L9T 1V9, Ontario, Canada</i></p> <p><i>Date of Birth: September 18, 1969</i></p>	<ul style="list-style-type: none"> <li>• <b><u>Companies</u></b></li> <li>• Maxamtech Digital Ventures Private Limited</li> <li>• <b><u>LLPs</u></b></li> <li>• Nil</li> </ul>

Name, Designation, Address, Date of Birth, Age, Occupation, Term, Period of Directorship and DIN	Other Directorships
<p>Age: 55 years</p> <p>Occupation: Service</p> <p>Term: Redesignated as Non-Executive Director w.e.f. December 01, 2024 for a period of Five years.</p> <p>Period of Directorship: Additional Director since May 29, 2023</p> <p>DIN: 10145140</p>	
<p><b>Ratnakar Venkappa Rai</b></p> <p>Designation: Non-Executive and Independent Director</p> <p>Address: G2/503, Sphene, Moraj Residency, Kasturi Co-op Housing Society, Palm Beach Road, New Mumbai, Sanpada – 400705, Thane, Maharashtra, India</p> <p>Date of Birth: December 25, 1967</p> <p>Age: 57 years</p> <p>Occupation: Business</p> <p>Term: Appointed as Non-Executive Independent Director for a period of Five years w.e.f. December 12, 2024.</p> <p>Period of Directorship: Appointed as Independent Director w.e.f. December 12, 2024</p> <p>DIN: 00126309</p>	<ul style="list-style-type: none"> <li>• Bew Engineering Limited</li> <li>• Vaidya Sane Ayurved Laboratories Limited</li> <li>• Ducol Organics and Colours Limited</li> <li>• On Door Concepts Limited</li> </ul>
<p><b>Sangita Bhamesh Kamble</b></p> <p>Designation: Non-Executive and Independent Director</p> <p>Address: R1 – 1408, Aurum Q Residencies, Plot No. Gen-4/1, TTC Industrial Area, Navi Mumbai – 400710, Thane, Maharashtra, India</p> <p>Date of Birth: March 25, 1971</p> <p>Age: 54 years</p> <p>Occupation: Service</p> <p>Term: Appointed as Non-Executive Independent Director for a period of Five years w.e.f. December 12, 2024.</p> <p>Period of Directorship: Appointed as Independent Director w.e.f. December 12, 2024</p> <p>DIN: 10130251</p>	<ul style="list-style-type: none"> <li>• <u>Companies</u></li> <li>• On Door Concepts Limited</li> <li>• Shree OSFM E-Mobility Limited</li> <li>• BEW Engineering Limited</li> <li>• Paramatrix Technologies Limited</li> <li>• <u>LLPs</u></li> <li>• Nil</li> </ul>
<p><b>Pratik Prakash Shah</b></p> <p>Designation: Non-Executive and Independent Director</p>	<ul style="list-style-type: none"> <li>• <u>Companies</u></li> <li>• Nil</li> <li>• <u>LLPs</u></li> <li>• Nil</li> </ul>

Name, Designation, Address, Date of Birth, Age, Occupation, Term, Period of Directorship and DIN	Other Directorships
<p><b>Address:</b> Flat 16, Hansoti Apartment C H S L, Hansoti Lane, Opp. New SNTD School, Cama Lane, Ghatkopar West, Mumbai – 400086, Maharashtra.</p> <p><b>Date of Birth:</b> 26 June 1985</p> <p><b>Age:</b> 39 years</p> <p><b>Occupation:</b> Professional Services</p> <p><b>Term:</b> Appointed as Non-Executive Independent Director for a period of Five years w.e.f. December 12, 2024.</p> <p><b>Period of Directorship:</b> Director since December 12, 2024</p> <p><b>DIN:</b> 10848091</p>	

### Relationship between our Directors

None of our directors are related to each other as per "Relative" definition provided in the Companies Act.

### Brief Profile of our Directors

**Curt Marvis**, aged 68 years is the CEO and Co-Founder of QYOU Media Inc., our Promoter & publicly listed Company on TSX Venture Exchange, Canada and Non-Executive director on the board of our Company since May 31, 2021 and is redesignated as Non-Executive Chairman vide board resolution dated December 04, 2024. He has done his Bachelors of Arts from University of California – Los Angeles in 1979 with major course of study – Motion Picture / Television. He is a recipient of MTV's Michael Jackson Video Vanguard Award. He has more than fifteen years of experience in the media industry. Previously, served as Lionsgate's (NYSE: LGF) President of Digital Media. He joined QYOU Media Inc. in June 2015, currently Curt is responsible for day-to-day business operations including strategy, marketing initiatives, financing and developing key industry partnerships for the group.

**Rajnandan Mishra**, aged 37 years is the promoter and CEO of the Company since December 2023 and is redesignated as Managing Director w.e.f. December 01, 2024. He has done his Bachelor of Business Administration from Amity University, Uttar Pradesh, in 2007 and Master of Business Administration from Institute of Management Technology, Dubai in 2010. He is also a director of our group Company QYOU Media India Private Limited and QYOU Media Inc., our promoter. He has experience of over 10 years in media industry specially focused on marketing and brand building through short form videos on social media platforms. He has worked with global companies like Musical.ly – shanghai based startup, popular app for creating short form videos, ByteDance, a company which acquired Musical.ly and merged it with TikTok. Raj worked as India Country Manager for TikTok India for the period April 2019 to mid-August 2020. Later on in August 2020, he joined Triller Inc., a Delaware Corporation owning Triller – AI powered entertainment platform built for creators / social video community as consultant and worked till September 2021. At Triller he was mainly responsible for the overall operation and expansion of Triller in India & other required markets in the future, including business operations, marketing, partnerships, content growth, design, community development and P&L management, management and development of the India team, including providing managerial guidance, identifying high potential talents, and providing mentorship and training during the day-to-day operations. His understanding of market dynamics and customer needs enables him to effectively identify and capitalize on business opportunities and grow the business.

**Kevin Richard Williams**, aged 55 years is the non-executive director on the board of the Company since May 2023. He is a qualified Chartered Professional Accountant and a member of Chartered Professional Accounts of Ontario. He has been working with our promoter company QYOU Media Inc since March, 2020 and is currently the Chief Financial Officer of QYOU Media Inc. He has been associated with our Company since May 2023. He has more than 6 years of experience in finance and accounting. Beginning in 2018, he served as the Managing Partner and Chief Financial Officer in PATSTAR Inc., a company incorporated under the laws of the Province of Ontario, Canada. In our Company he is responsible for overseeing and providing guidance on finance and accounting related workflows.

**Ratnakar Venkappa Rai**, aged 57 years, is an Independent Director of our Company. He has completed his B. Com. from University of Bombay in April 1992 and one year Diploma programmed in Business Management from All India Council for Management Studies, Madras in October 1997. He has also been awarded Post Graduate Program in Management Services for undergoing Executive Business Management Program during 2011 to 2013 by WE School (Welingkar Education), Prin. L. N. Welingkar Institute of Management Development & Research, Mumbai, India. He has experience of over 2 decades in the field of liaison, accounts and finance. He has been on our Board since December 12, 2024 to broad base the board and comply with corporate governance requirements.

**Sangita Bhamesh Kamble** aged 54 years is the Non-Executive and Independent Director of our Company. She has completed her B.Com from University of Bombay. She is also passed CA Intermediate Examinations held by ICAI. She has also passed all sections of Uniform CPA Examinations and AICPA's Ethics Examination held by American Institute of Certified Public Accountants, USA. She has over 2 decades of experience in the field of Finance, Accounts and Financial reporting. She has been appointed as independent director w.e.f. December 12, 2024 to comply with corporate governance requirements.

**Pratik Prakash Shah** aged 39 years, is the Non-Executive Independent Director of the Company. He is a qualified Chartered Accountant and a Member of Institute of Chartered Accountants of India since 2009. He is also a registered valuer certified by Insolvency and Bankruptcy Board of India and is a professional member of The Institute of Cost Accountants of India promoted ICMAI Registered Valuers Organization since 2019. He has previously worked with Bilimoria Mehta & Co. Chartered Accountants. He has over a decade's experience in the field of accounting, financial reporting, audit, Valuation and taxation. He has been appointed as independent director w.e.f. December 12, 2024 to broad base the Board and guide the company in effectively meeting with corporate governance requirements.

#### Further Confirmations:

- There are no arrangements or understanding with major shareholders, customers, suppliers, or others, pursuant to which any of the Directors were selected as a Director.
- There is no service contracts entered into by the Directors with our Company providing for benefits upon termination of employment.
- None of the Directors is declared as wilful defaulters by the RBI or any bank or financial institution or consortium thereof.
- None of our Promoters or Directors of our Company are declared Fugitive Economic Offenders under Section 12 of the Fugitive Economic Offenders Act, 2018.
- None of our Directors is or was a director of any listed company during the last five years preceding the date of this Draft Red Herring Prospectus, whose shares have been or were suspended from being traded on the Stock Exchange(s), during the term of their directorship in such company.
- None of our Directors is or was a director of any listed company during the last five years preceding the date of this Draft Red Herring Prospectus, whose shares have been or were suspended from being traded on the Stock Exchange(s), during the term of their directorship in such company.
- 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 promoters, 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.
- No consideration in cash or shares or otherwise has been paid or agreed to be paid to any of our Directors or to the firms of companies in which they are interested by any person either to induce him to become or to help him qualify as a Director, or otherwise for services rendered by him or by the firm or company in which he is interested, in connection with the promotion or formation of our Company.
- 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. No consideration in cash or shares or otherwise has been paid or agreed to be paid to any of our Directors or to the firms of companies in which they are interested by any person either to induce him to become or to help him qualify as a Director, or otherwise for services rendered by him or by the firm or company in which he is interested, in connection with the promotion or formation of our Company.



- There are no conflict of interests between the third party service providers (crucial for operations of the Company) and the Company, Directors and Key Managerial Personnel.
- There are no conflict of interest between the lessor of the immovable properties, (crucial for operations of the company) and the Company, Directors and Key Managerial Personnel.

### Compensation of our Directors

#### Terms of Appointment of the Managing Director

**Rajnandan Mishra** has been appointed as the Managing Director of our Company for a period of 5 years with effect from December 01, 2024 *vide* Shareholders resolution dated December 12, 2024 on following terms:

<b>Salary*</b>	Approved a Gross Salary of upto Rs. 50,00,000/- per month and right now Rs. 25,00,000/- per month is paid to Rajnandan Mishra.
<b>Other terms and conditions</b>	The Chairman of the Company will not be entitled to any Sitting Fees for attending meetings of the Board of Directors or Committees thereof.
<b>Remuneration in the event of loss or inadequacy of profits</b>	In case of inadequacy of profits or loss in any financial year, the salary (and other allowances, if any as per Company's Policy) will be paid to Chairman in accordance with the applicable provisions of the Section II of PART II of Schedule V to the Companies Act, 2013 or such other limits as may be prescribed by the Board of Directors.

\*The Company has entered into an Expense Reimbursement Agreement dated April 05, 2023 and further Addendum Agreement No. 1 dated November 01, 2023 and Addendum Agreement No. 2 dated April 01, 2024 (all Agreements together is referred as "Reimbursement Agreements") , with its fellow subsidiary QYOU Media India Private Limited (QMIPL), engaged in Media and Entertainment Industry, pursuant to which the Companies share certain resources and expenditures such as general administration, security, office space, employees, content creation and allied services, finance and accounts and others in order to optimise the costs and for efficient business synergies on the group level and therefore, may engage with different external and internal service providers to carry out various business activities. Pursuant to the said Reimbursement Agreements, Rs. 16.67 Lakhs p.m. of Rajnandan Mishra's salary is agreed to be reimbursed by QYOU Media India Private Limited to our Company.

#### Remuneration to Executive Directors

Details of remuneration paid to the Executive Directors in FY 2024 is as under:

<b>Name of the Director</b>	<b>Amount (Rs. In Lakhs)</b>
Rajnandan Mishra	125.00*

\*Pursuant to the Reimbursement Agreements Rs. 83.33 Lakhs is charged to QMIPL towards reimbursement of Salary of Rajnandan Mishra for 5 months, accordingly net salary paid is Rs. 41.67 Lakhs.

#### Remuneration details of our Non-Executive and Independent Directors

Our Non- Executive and Independent Directors are entitled to sitting fees for attending meetings of the Board, or of any committee of the Board. As per the board resolution dated December 17, 2024, the sitting fees payable by our Company to our Non- Executive and Independent Directors is ₹ 3,00,000/- p.a. for meetings of the Board and the committee of the Board attended by them.

We have not paid any sitting fees to any of our Directors in the Financial Year 2024.

#### Bonus or Profit-Sharing Plan of the Directors

None of our Directors are party to any bonus or profit-sharing plan of our Company.

#### Shareholding of Directors in our Company

Our Articles of Association do not require our directors to hold qualification shares. As on date of the Draft Red Herring Prospectus, our directors hold the following number of Equity Shares of our Company:

Name of Directors	Number of Equity Shares Held (Pre-Issue)	Percentage of pre-Issue capital (%)
Rajnandan Mishra	14,17,500	13.61

### Interest of Directors

- Our Non-Executive Non-Independent Directors and Independent Directors may be deemed to be interested to the extent of sitting fees payable to them for attending meetings of our Board and Committees thereof and reimbursement of expenses available to them and commission payable to them as approved by our Board. All our Executive Directors may be deemed to be interested to the extent of other remuneration and reimbursement of expenses payable to them.
- Our Promoters may be deemed to be interested in the promotion or formation of our Company. Our Directors may also be regarded as interested in the Equity Shares held by them, if any (together with dividends and any other distributions in respect of such Equity Shares).
- None of our Directors have any interest in any property acquired or proposed to be acquired of our Company or by our Company in the preceding three years.
- Further, none of our Directors have any interest in any transaction by our Company for acquisition of land, construction of building or supply of machinery.
- No consideration in cash or shares or otherwise has been paid or agreed to be paid to any of our directors or to the firms or companies in which any of our directors are interested, by any person, either to induce him to become, or to qualify him as, as a director, or otherwise for services rendered by our Directors or by the firm or company in which they are interested, in connection with the promotion or formation of our Company.
- Except as disclosed in “*Financial Statements*” beginning on page 160 and as disclosed in this section, none of our Directors have any interest in our business.
- Further, except as disclosed in “*Financial Statements*” beginning on page 160, no loans have been availed by our Directors from our Company.

### Changes in our Board during the Last Three Years

Except as disclosed below, there have been no changes in our Board during the last three years:

Name of Director	Date of change	Reason
Kevin Richard Williams	May 29, 2023	Appointed as representative of Promoter Company
Andrew Kaplan Jay	September 15, 2023	Resigned as a part of restructuring of Board
Kevin Richard Williams	September 25, 2023	Re-designation as Non-Executive Director
Pranay Swarup	February 01, 2023	Re-designation as Non-Executive Director
Rajnandan Mishra	December 12, 2023	Appointed as CEO of the Company
Pranay Swarup	October 23, 2024	Resigned as a part of restructuring of Board
Rohit Raj	October 23, 2024	Resigned as a part of restructuring of Board
Krishna Rajgopal Menon	October 23, 2024	Resigned as a part of restructuring of Board
Rajnandan Mishra	October 25, 2024	Appointment as Additional Director
Curt Wayne Marvis	December 04, 2024	Re-designation as Non-Executive Chairman
Kevin Richard Williams	December 04, 2024	Appointed for 5 years as Non-Executive Director
Rajnandan Mishra	December 12, 2024	Re-designation as Managing Director
Ratnakar Venkappa Rai	December 12, 2024	Appointment as Non-Executive Independent Director
Sangita Bhamesh Kamble	December 12, 2024	Appointment as Non-Executive Independent Director
Pratik Prakash Shah	December 12, 2024	Appointment as Non-Executive Independent Director

### 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 resolution passed by our shareholders at their meeting held on December 12, 2024, our shareholders have authorized our Board to borrow any sum of money from time to time notwithstanding that the sum or sums so borrowed together with the monies, if any, already borrowed by the company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the paid up capital and free reserves of the Company provided such amount does not exceed ₹1,00,00,00,000 (Rupees Hundred Crores Only) in excess of its paid up capital and free reserves which may have not been set apart for any purpose.

## Corporate Governance

The provisions of the SEBI (LODR) Regulations with respect to corporate governance will also be applicable to our Company immediately upon the listing of our Equity Shares with the Stock Exchange. Our Company is in compliance with the requirements of the applicable regulations, including the SEBI (LODR) Regulations, the SEBI (ICDR) Regulations and the Companies Act, 2013 in respect of corporate governance including constitution of the Board and committees thereof.

Our Board has been constituted in compliance with the Companies Act and SEBI (LODR) Regulations, to the extent applicable. Our Board functions either as a full board or through various committees constituted to oversee specific functions. In compliance with the requirements of the Companies Act and the SEBI (LODR) Regulations, to the extent applicable our Board of Directors consists of 4 (four) Directors (including one woman Director) of which three are non-executive Independent Directors which is in compliance with the requirements of Regulation 17 of SEBI (LODR) Regulations.

### Committees of our Board

Our Board has constituted the following committees including those for compliance with corporate governance requirements:

#### a. *Audit Committee*

Our Audit Committee was constituted pursuant to a resolution of our Board dated December 17, 2024. The Audit Committee comprises:

Name of Director	Status in Committee	Nature of Directorship
Sangita Bhamesh Kamble	Chairman	Non-Executive Independent Director
Ratnakar Venkappa Rai	Member	Non-Executive Independent Director
Pratik Prakash Shah	Member	Non-Executive Independent Director
Rajnandan Mishra	Member	Executive Promoter Director

The Company Secretary of the Company shall act as the Secretary of 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 of the SEBI (LODR) Regulations.

#### A. *Powers of Audit Committee*

The Audit Committee shall have the authority to:

- to investigate any activity within its terms of reference;
- to seek information from any employee;
- to obtain outside legal or other professional advice;
- to secure attendance of outsiders with relevant expertise, if it considers necessary as may be prescribed under the Companies Act, 2013 (together with the rules thereunder) and SEBI Listing Regulations; and
- to have full access to information contained in records of Company.

#### B. *Role/Functions/Scope/Terms of Reference of Audit Committee*

The Terms of Reference or role or functions of the Audit Committee as specified by the Board of Directors of the Company under section 177 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Meeting of Board and its Powers) Rules, 2014 and Regulation 18 and Part C of Schedule II of the SEBI Listing Regulations, 2015

(SEBI LODR Regulations) (including any statutory modification(s) or re-enactment thereof, for the time being in force) shall include the following:

- (i) Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that its financial statements are correct, sufficient and credible;
- (ii) Recommending to the Board for the appointment, re-appointment, replacement, remuneration and terms of appointment of the statutory auditors of the Company;
- (iii) Reviewing and monitoring the statutory auditor's independence and performance, and effectiveness of audit process;
- (iv) Approving payments to the statutory auditors for any other services rendered by the statutory auditors;
- (v) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
- (vi) 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;
- (vii) Changes, if any, in accounting policies and practices and reasons for the same;
- (viii) Major accounting entries involving estimates based on the exercise of judgment by management;
- (ix) Significant adjustments made in the financial statements arising out of audit findings;
- (x) Compliance with listing and other legal requirements relating to financial statements;
- (xi) Disclosure of any related party transactions; and
- (xii) Qualifications and modified opinions in the draft audit report.
- (xiii) Reviewing, with the management, the quarterly, half-yearly and annual financial statements, as the case may be, before submission to the Board for approval;
- (xiv) 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 utilisation of proceeds of a public issue or rights issue or preferential issue or qualified institutions placement, as the case may be, and making appropriate recommendations to the Board to take up steps in this matter;
- (xv) Approval or any subsequent modifications of transactions of the Company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company subject to such conditions as may be prescribed;
- (xvi) Scrutiny of inter-corporate loans and investments;
- (xvii) Valuation of undertakings or assets of the Company, wherever it is necessary;
- (xviii) Evaluation of internal financial controls and risk management systems;
- (xix) Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances;
- (xx) Reviewing, with the management, the performance of statutory and internal auditors, and adequacy of the internal control systems;
- (xxi) 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;
- (xxii) Discussing with internal auditors on any significant findings and follow up thereon;
- (xxiii) 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;
- (xxiv) 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;
- (xxv) 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;
- (xxvi) Reviewing the functioning of the whistle blower mechanism;
- (xxvii) Approving the appointment of the chief financial officer or any other person heading the finance function or discharging that function after assessing the qualifications, experience and background, etc. of the candidate;
- (xxviii) Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision;
- (xxix) Considering and commenting on the rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders;
- (xxx) Such roles as may be delegated by the Board and/or prescribed under the Companies Act, 2013 and SEBI Listing Regulations or other applicable law; and
- (xxxi) Carrying out any other functions as is mentioned in the terms of reference of the audit Committee or containing into SEBI (LODR) Regulations 2015.

- (xxxii) Further, the Audit Committee shall mandatorily review the following information:
- (xxxiii) management discussion and analysis of financial condition and results of operations;
- (xxxiv) management letters / letters of internal control weaknesses issued by the statutory auditors;
- (xxxv) internal audit reports relating to internal control weaknesses;
- (xxxvi) the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee; and
- (xxxvii) statement of deviations:
- (xxxviii) quarterly/half yearly statement of deviation(s), as the case may be including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI ICDR Regulations;
- (xxxix) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the SEBI ICDR Regulations.

Further, the Audit Committee shall mandatorily review the following information:

- 1) management discussion and analysis of financial condition and results of operations;
- 2) management letters / letters of internal control weaknesses issued by the statutory auditors;
- 3) internal audit reports relating to internal control weaknesses;
- 4) the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee; and
- 5) statement of deviations:
  - a. quarterly/half yearly statement of deviation(s), as the case may be including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI ICDR Regulations;
  - b. annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the SEBI ICDR Regulations.

As required under Regulation 18 of the SEBI (LODR) Regulations, the Audit Committee shall meet at least four times in a year, and not more than four months 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.

**b. Stakeholders' Relationship Committee**

The Stakeholders' Relationship Committee was constituted by a resolution of our Board dated December 17, 2024. The Stakeholders' Relationship Committee comprises:

Name of Director	Status in Committee	Nature of Directorship
Sangita Bhamesh Kamble	Chairman	Non-Executive Independent Director
Ratnakar Venkappa Rai	Member	Non-Executive Independent Director
Pratik Prakash Shah	Member	Non-Executive Independent Director

The Company Secretary of the Company shall act as the Secretary of the Stakeholders' Relationship Committee.

Set forth below are the terms of reference of our Stakeholders' Relationship Committee.

- To look into the redressal of grievances of shareholders, debenture holders and other security holders;
- To investigate complaints relating to allotment of shares, approval of transfer or transmission of shares;
- To consider and resolve the grievances of the security holders of the company including complaints related to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends; and
- To carry out any other function as prescribed under the SEBI (LODR) Regulations as and when amended from time to time.

**c. Nomination and Remuneration Committee**

The Nomination and Remuneration Committee was constituted by our Board on December 17, 2024. The scope and function of the Nomination and Remuneration Committee is in accordance with Section 178 of the Companies Act, 2013 and the SEBI (LODR) Regulations. The Nomination and Remuneration Committee include the following:

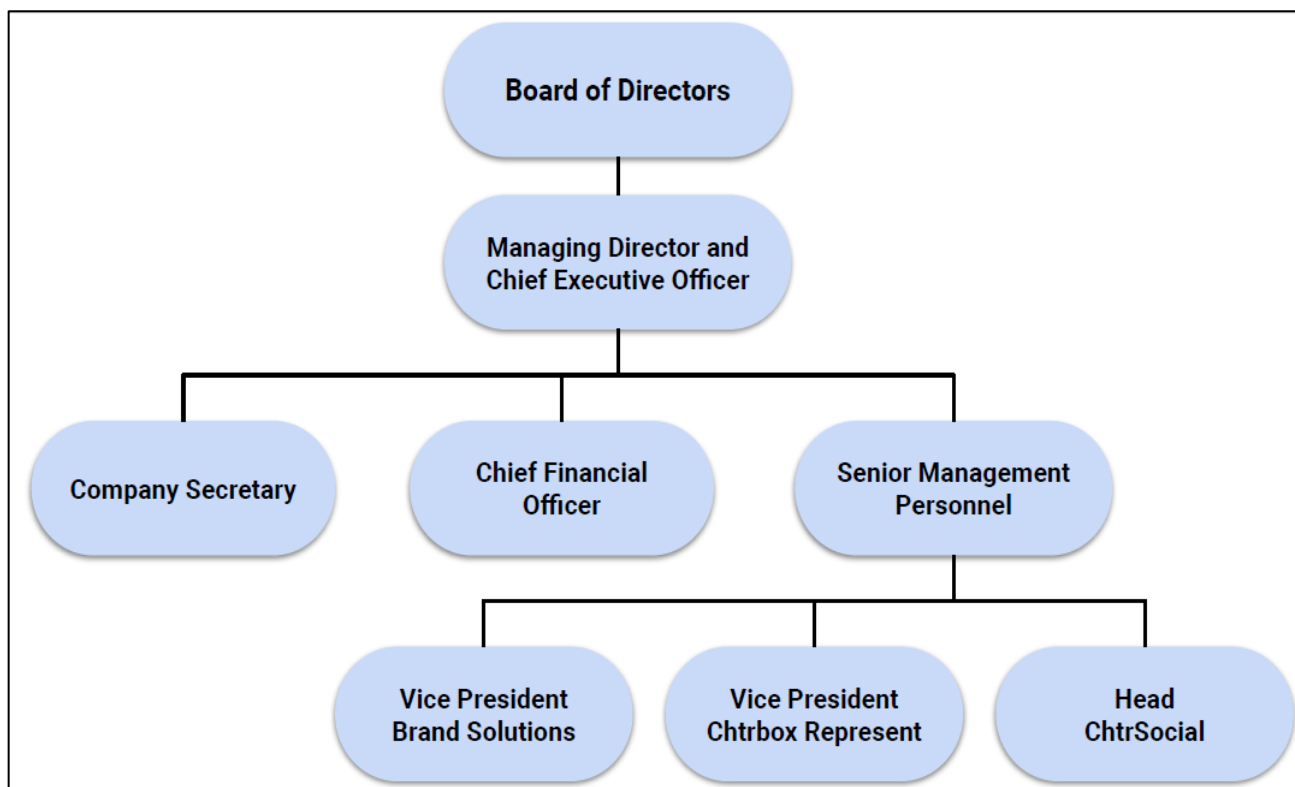
Name of Director	Status in Committee	Nature of Directorship
Sangita Bhamesh Kamble	Chairman	Non-Executive Independent Director
Ratnakar Venkappa Rai	Member	Non-Executive Independent Director
Pratik Prakash Shah	Member	Non-Executive Independent Director

The Company Secretary of the Company shall act as the Secretary of the Nomination and Remuneration Committee.

The Terms of Reference or role or functions of the Nomination and Remuneration Committee as specified by the Board of Directors of the Company under section 178 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Meeting of Board and its Powers) Rules, 2014 and Regulation 19 and Part C of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof, for the time being in force) shall include the following:

- (i) 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;
- (ii) For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
  - (iii) use the services of external agencies, if required;
  - (iv) consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - (v) consider the time commitments of the candidates.
- (vi) formulation of criteria for evaluation of the performance of independent directors and the Board;
- (vii) devising a policy on diversity of our Board;
- (viii) identifying persons, who are qualified to become directors or who may be appointed in senior management in accordance with the criteria laid down, recommending to the Board their appointment and removal and carrying out evaluation of every director's performance;
- (ix) 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;
- (x) recommending remuneration of executive directors and any increase therein from time to time within the limit approved by the members of our Company;
- (xi) recommending remuneration to non-executive directors in the form of sitting fees for attending meetings of the Board and its committees, remuneration for other services, commission on profits;
- (xii) recommending to the Board, all remuneration, in whatever form, payable to senior management;
- (xiii) performing such functions as are required to be performed by the compensation committee under the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended;
- (xiv) engaging the services of any consultant/professional or other agency for the purpose of recommending compensation structure/policy;
- (xv) analyzing, monitoring and reviewing various human resource and compensation matters;
- (xvi) reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
- (xvii) framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:
  - (xviii) The SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended; or
  - (xix) The SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003, as amended; and
- (xx) performing such other functions as may be delegated by the Board and/or prescribed under the SEBI Listing Regulations, Companies Act, each as amended or other applicable law.
- (xxi) To extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

## ORGANIZATION STRUCTURE



## OUR KEY MANAGERIAL PERSONNEL

Set forth below are the details of our key managerial personnel in addition to our Managing Director, Whole-time Director as on the date of the Draft Red Herring Prospectus. For details of our Managing Director, Whole-time Director please refer “*Our Management*” on page 137.

**Pooja Dhaval Mehta**, aged 37 Years, is the Chief Financial Officer of our Company. She has completed her Bachelors of Commerce from the University of Mumbai in 2008. She is a Chartered Accountant certified by ICAI completed in 2011 and is admitted as Member in April 2012. She has experience of over 12 years in finance handling accounts writing, financial management, financial reporting, forecasting and handling internal audits, tax audit and statutory audit matters. She has been associated with our group since March 2023, working with our fellow subsidiary QYOU Media India Private Limited as Finance Controller. She joined our Company on June 01, 2024 and was designated as the Chief Financial Officer w.e.f. December 01, 2024. The remuneration paid to her during fiscal ended March 31, 2024 was Nil.

**Prachi Parag Kela**, aged 32 years, is the Company Secretary & Compliance Officer of our Company. She has completed her bachelors in commerce as well as LLB from Dr. Babasaheb Ambedkar Marathwada University, Aurangabad and she is an Associate Member of the Institute of Company Secretaries of India since 2021. She is a qualified Company Secretary and has professional experience of 4 years in the field of Company Law and secretarial compliances while working with secretarial firm as well as private limited Company. She has been associated with our Company since December 01, 2024. The remuneration paid to her during fiscal ended March 31, 2024 was Nil.

### Senior Management Personnel

**Karan Pherwani**, aged 33 years, is the Vice President of our Company. He holds a bachelor’s degree in commerce from University of Mumbai. He joined our Company in March 2018. He began his professional career in 2012 with Festival Sherpa (ARA Infotech Private Limited), an online editorial for festivals in India & around the world, Karan worked his way up from being an intern to becoming the Chief Operating Officer at Festival Sherpa. Karan also worked with OML Entertainment Private Limited as part of their Brand Solutions team. Karan leads the Chtrbox Represent - our exclusive talent management representation division and has an overall experience of more than 9 years in the field of represent management. The remuneration paid to him during the fiscal year ended March 31, 2024 was INR 40,16,666.

**Mrunali Dedhia**, aged 29 years, is the Vice President of our Company. She joined our Company in 2016 and is one of our earliest employees, she secured her higher secondary certificate from Maharashtra State Board of Secondary and Higher Secondary Education. She started out as a client servicing executive and has grown alongside the company. Over the years, she has taken on several key roles, from managing campaigns and building strong brand partnerships to scaling revenue streams. At present, she leads Brand Partnerships across Chtrbox and overall operations for our Youth:Ink division and has an experience of more than 8 years in the field of the marketing and brand building of various products through social media campaigns. The remuneration paid to her during the fiscal year ended March 31, 2024 was INR 29,79,032.

**Darshil Shah**, aged 29 years, joined us on 1 July 2022. He secured Bachelor of Management Studies from Lala Lajpatrai College of Commerce and Economics in April 2017. Prior to being associated with our Company he founded Blazonion, a Food & Beverage marketing agency, at the age of 19. He has experience of more than 8 years in digital marketing and brand building through social media. His agency, Blazonion, was acquired by Chtrbox and QYOU Media Inc and he currently heads ChtrSocial - our Social Media Management Vertical and helps top brands to achieve impactful social media presence. The remuneration paid to him during the fiscal year ended March 31, 2024 was INR 29,00,004.

### **Shareholding of KMP**

Our CFO, Pooja Dhaval Mehta as well as our SMPs Karan Pherwani, Mrunali Dedhia and Darshil Shah, each one holds 81 equity shares in our Company. Other than them none of our KMPs/ SMPs hold any Equity Shares in our Company. For details of shareholding of our directors and key managerial personnel, please refer “*Capital Structure*” on page 62.

### **Status of Key Managerial Personnel**

All our key managerial personnel are permanent employees of our Company.

### **Nature of family relationship**

None of the key managerial personnel are related to each other and neither are they related to our Promoters or Directors.

### **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, refer “*History and Certain Other Corporate Matters*” on page 132.

### **Bonus or Profit-Sharing Plan for our Key Managerial Personnel**

As on the date of this Draft Red Herring Prospectus our Company does not have any performance linked bonus or profit-sharing plan with any of our key managerial personnel.

### **Loans to Key Managerial Personnel**

There is no loan outstanding against any of the key managerial personnel as on date of this Draft Red Herring Prospectus.

### **Interest of Key Managerial Personnel**

Except as disclosed in “*Interest of Directors*” on page 130 in respect of Directors, no other Key Managerial Personnel of our Company has any interest in our Company other than 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. There is no contingent or deferred compensation accrued for the year payable to the Key Managerial Personnel, even if the compensation is payable at a later date.

Further, the Key Managerial Personnel may be regarded as interested in the Equity Shares held by them, if any, (together with dividends and any other distributions in respect of such Equity Shares). No loans have been availed by our Key Managerial Personnel from our Company.



**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 the Draft Red Herring Prospectus.

**Payment or Benefit to officers of our Company**

Except as disclosed in this Draft Red Herring Prospectus, no amount or benefit has been paid or given or is intended to be paid or given to any of our Company's employees including the Key Management Personnel within the two years preceding the date of filing of this Draft Red Herring Prospectus, except for the payment of remuneration or commission for services rendered as an officer of our Company.

**Changes in our Company's Key Managerial Personnel during the last three years**

Except as disclosed below, there have been no changes in our Key Managerial Personnel during the last three years:

<b>Name of Employee</b>	<b>Date of appointment</b>	<b>Date of cessation</b>	<b>Reason</b>
Pooja Dhaval Mehta	June 01, 2024 and - designated as CFO from December 01, 2024		Appointed as CFO
Prachi Parag Kela	December 01, 2024	-	Appointed as company Secretary and Compliance Officer

## OUR PROMOTERS AND PROMOTER GROUP

### **Corporate Promoter:**

1. *QYOU Media Inc.*

### **Individual Promoter:**

2. *Rajnandan Mishra*

The details of our Promoters are provided below:

### **Details of our Corporate Promoter**

#### **QYOU Media Inc. (“QMI”)**

#### **Corporate Information**

**QYOU Media Inc.** is the Corporate Promoter and Holding Company of our Company.

As on the date of this Prospectus, our Promoter i.e. QYOU Media Inc. holds 71,23,707 Equity Shares of face value of ₹ 10 each in our Company, representing 68.39% of the pre-Offer issued, subscribed and paid-up equity share capital of our Company. For Further details of equity shares issued, please refer to the section titled “*Capital Structure*” on page 62 of this Draft Red Herring Prospectus.

On 15 June 2015, QYOU Media Inc was incorporated under Business Corporation Act, Ontario with objective of entering into broadcasting business. Further, In February 2017, QYOU Media Inc and Galleria Opportunities Limited (a company listed on NEX - a separate board of TSX Venture Exchange) into a reverse takeover arrangement whereby QYOU Media Inc amalgamated with 2561287 Ontario Ltd. (a wholly owned subsidiary of Galleria Limited) to form QYOU Media Holdings Inc, a wholly-owned subsidiary of the Galleria Opportunities Limited which then constituted a reverse takeover of the Galleria Opportunities Limited by the former shareholders of QYOU Media Inc. Subsequent to the transaction, QYOU Media Inc (formerly Galleria Opportunities Limited) received approval for commencement of trading of common shares of QYOU Media Inc on TSX Venture Exchange from March 31, 2017.

QYOU Media Inc's predecessor was incorporated as "575161 Alberta Inc." on 30 July 1993 under Business Corporation Act, Alberta with principal business activity of investigation of new business investment opportunities. On 22 October 1993, 575161 Alberta Inc, amended its name to Galleria Resources Inc and on 2 October 2000, Galleria Resources Inc amended its name to Galleria Opportunities Inc. From 2010 to 2014, Galleria Opportunities Inc conducted its business activities in Oil and gas exploration and development industry. On 10 April 2014, Galleria Opportunities Inc, amended its name to Galleria Opportunities Limited.

On 1 July 2021, QYOU Media Inc and QYOU Media Holdings Inc amalgamated and continued under the name of QYOU Media Inc. The Ontario Corporation number of QMI is 002470962 and the GST/HST registration number of QMI is 137601860. Its registered office is located at 154, University Avenue, Suite 601, Toronto, Ontario, M5H 3Z4, Canada.

#### **Listing**

As on the date of this Draft Red Herring Prospectus, the equity shares of our Promoter are listed on the TSX Venture Exchange since March 31, 2017.

#### **Nature of Business**

QMI does not have any active business operations except Investments in Subsidiaries. QMI is engaged in the business of producing and distributing content created by social media influencers and digital content creators as well as TV broadcasting and gaming business through its subsidiaries in USA and India.

#### **Change in Activities**

On 15 June 2015, QYOU Media Inc was incorporated under Business Corporation Act, Ontario with objective of entering

into broadcasting business. Pursuant to QMI's amalgamation on 1 July 2021 with QYOU Media Holdings Inc, it has also started activities of Investigation of new business investment opportunities carried on by QYOU Media Holdings Inc.

### Board of Directors

The board of directors of QMI, as on the date of this Draft Red Herring Prospectus is as follows:

Sl. No.	Name of the Director	Designation
1	G. Scott Paterson	Chairman
2	Curt Marvis	Chief Executive Officer
3	Rajnandan Mishra	Director
4	Steven Beeks	Director
5	Catherine Warren	Director
6	Damian Lee	Director

### Shareholding pattern of our Promoter

The Shareholding pattern of QMI, as on June 05, 2024, as per stock exchange filing is as under:

Sl. No.	Category of Shareholder	No. of Shares (Face Value)	Shareholding (%)
	<b><u>Direct Shareholding of Directors</u></b>		
1	G. Scott Paterson	29,949,727	5.76%
2	Curt Marvis	8,933,333	1.72%
3	Catherine Warren	1,269,999	0.24%
4	Damian Lee	1,113,331	0.21%
5	Steven Beeks	624,999	0.12%
	<b><u>Indirect Shareholding of Directors</u></b>		
1	Patstar Inc. (controlled by G. Scott Paterson)	2,939,764	0.57%
2	Beeks Revocable Trust (controlled by Steven Beeks)	297,243	0.06%
	<b><u>Shareholding of named executive officers</u></b>		
1	Kevin Richard Williams	2,073,615	0.40%
2	Glenn Ginsburg	3,525,000	0.68%
-	Public Shareholding	468,997,513	90.24%
	<b>Total outstanding Common Shares of the Company</b>	<b>519,724,524</b>	<b>100.00</b>

### Details of change in control of our Promoter

There has been no change in the control of QMI in the last three years preceding the date of this Draft Red Herring Prospectus.

### Promoter and Beneficial owners of our Promoter Company

As on date of this Draft Red Herring Prospectus, QMI has following natural person who is in control of QMI and the same are considered as beneficial owners of QMI:

Sl. No.	Name of the Person	Nature of Control and Ownership
1	G. Scott Paterson *	Chairman and shareholder holding 6.33%
2	Curt Marvis **	Chief Executive Officer shareholder holding 1.72%
3	Rajnandan Mishra **	Director

\* **Gordon Scott Paterson**, aged 61 years, is the Chairman of the Board of our Promoter, QYOU Media Inc. He has been a Director of the TSX Venture Exchange Inc (formerly the Canadian Venture Exchange Inc) from October 29, 1999 to December 18, 2001. He was also the Chairman at TSX Venture Exchange Inc from June 8, 2000 to August 1, 2001 and Vice Chairman from October 29, 1999 to June 8, 2000 and again from August 1, 2001 to December 18, 2001. He completed the Western Executive Program in 1994 from the Western Business School, The University of Western Ontario and is also a recipient of Western's Purple & White Award. He completed the Director's Education Program from the Institute of Corporate Directors and Rotman School of Management, University of Toronto in 2008 and received professional ICDD designation from the Institute of Corporate Directors in 2009. He also obtained the Osgoode Certificate in Entertainment Law in 2014 from Osgoode Hall Law School of York University. He was also named in Caldwell Partners' Canada's Top 40 Under 40 for 1997.

\*\*For a complete profile of Curt Marvis and Rajnandan Mishra, please refer “Our Management” on page 137.

## Financial Information

The financial information derived from the standalone and consolidated financial information of our Promoter for the financial years ended December 31, 2023, 2022 and 2021 is set out below:

(CAD in Lakhs except per share data)

Particulars	December 31, 2023 Consolidated	December 31, 2022 Consolidated	December 31, 2021 Consolidated
Capital	523.11	493.44	447.59
Reserves (Excluding Revaluation Reserves)	-539.71	-455.08	-360.90
Warrants	44.65	40.12	37.01
Non-controlling interests	-9.19	-4.45	-4.43
Sales	275.63	271.70	103.11
Profit / (Loss) after Tax	-98.33	-114.18	-47.80
EPS (Basic)	-0.02	-0.03	-0.01
EPS (Diluted)	-0.02	-0.03	-0.01
Net Asset Value	18.85	74.02	119.26

(INR in Lakhs except per share data)

Particulars	December 31, 2023 Consolidated	December 31, 2022 Consolidated	December 31, 2021 Consolidated
Capital	30,952.99	29,197.64	26,484.53
Reserves (Excluding Revaluation Reserves)	-31,935.70	-26,927.73	-21,335.25
Warrants	2,641.97	2,373.70	2,189.75
Non-controlling interests	-543.95	-263.58	-262.39
Sales	16,309.41	16,076.88	6,101.24
Profit / (Loss) after Tax	-5,818.34	-6,756.49	-2,828.11
EPS (Basic)	-1.18	-1.78	-0.59
EPS (Diluted)	-1.18	-1.78	-0.59
Net Asset Value	1,115.31	4,380.03	7,056.64

\* Amounts calculated using exchange rate as of December 31, 2023, December 31, 2022 and December 31, 2021 at 1CAD=₹59.17 as on December 20, 2024.

**Details of our Individual Promoter**

**Rajnandan Mishra**, aged 37 years is the promoter and CEO of the Company since December 2023 and is redesignated as Managing Director w.e.f. December 01, 2024. He has done his Bachelor of Business Administration from Amity University, Uttar Pradesh, in 2007 and Master of Business Administration from Institute of Management Technology, Dubai in 2010. He is also a director of our group Company QYOU Media India Private Limited and QYOU Media Inc., our promoter. He has experience of over 10 years in media industry specially focused on marketing and brand building through short form videos on social media platforms. He has worked with global companies like Musical.ly – shanghai based startup, popular app for creating short form videos, ByteDance, a company which acquired Musical.ly and merged it with TikTok. Raj worked as India Country Manager for TikTok India for the period April 2019 to mid-August 2020. Later on in August 2020, he joined Triller Inc., a Delaware Corporation owning Triller – AI powered entertainment platform built for creators / social video community as consultant and worked till September 2021. At Triller he was mainly responsible for the overall operation and expansion of Triller in India & other required markets in the future, including business operations, marketing, partnerships, content growth, design, community development and P&L management, management and development of the India team, including providing managerial guidance, identifying high potential talents, and providing mentorship and training during the day-to-day operations. His understanding of market dynamics and customer needs enables him to effectively identify and capitalize on business opportunities and grow the business.

For a complete profile of Rajnandan Mishra, and other directorships, please refer “**Our Management**” on page 137.

As on date of the Draft Red Herring Prospectus, Rajnandan Mishra holds 14,17,500 Equity Shares representing 13.61% of the pre-issue paid-up share capital of our Company.

**Declaration:** We confirm that the PAN, bank account number and passport number and other applicable details of our Promoters will be submitted to BSE on whose SME Platform the Equity Shares are proposed to be listed at the time of filing this Draft Red Herring Prospectus.

**Interest of our Promoters**

Our Promoters are interested in our Company to the extent (i) that they have promoted our Company; (ii) of their shareholding and the shareholding of relatives in our Company and the dividend payable, if any and other distributions in respect of the Equity Shares held by them or the relatives; (iii) of being Chairman/ director and Key Management Personnel of our Company and the remuneration, sitting fees and reimbursement of expenses payable by our Company to them; (iv) that she has mortgaged her personal properties and provided personal guarantees for the loans availed by our Company; (v) of being a subscriber to the Memorandum of Association of our Company; (v) of her relatives having been appointed to places of profit in our Company; and (vi) that our Company has undertaken transactions with them, or their relatives or entities in which our Promoters hold shares. For details regarding the shareholding of our Promoters in our Company, please refer “**Capital Structure**”, “**Our Management**” and “**Related Party Transactions**” on pages 62, 137 and 158 respectively.

Our Promoters does not have any interest in any property acquired by our Company within two years of the date of this Draft Red Herring Prospectus or proposed to be acquired by it or in any transaction in acquisition of land and construction of building etc. Further, our Promoters does not have any interest in any supply of machinery to our Company.

Other than as disclosed in the section “**Related Party Transaction as Restated**” on page 158 there are no sales/purchases between our Company and our Promoters and Promoter Group and Group Companies where such sales or purchases exceeding in value in the aggregate 10% of the total sales or purchases of our Company or any business interest between our Company, our Promoters, our Promoter Group and Group Entities as on the date of the last audited financial statements.

Our Promoters may also be deemed to be interested in our Company to the extent of the personal guarantees given by them for the loans availed by our Company. For further details, please see the chapter titled “**Financial Indebtedness**” beginning on page 204 of this Draft Red Herring Prospectus.

Our Promoters are not members of any firm or company having any interest in the Company for which any sums are paid or agreed to be paid to either of our Promoters or to the firm or company in cash or shares or otherwise by any person either to induce our Promoters to become, or to qualify our Promoters as, a director, or otherwise for services rendered by our Promoters or by the firm or company, in connection with the promotion or formation of the Company.

### **Changes in the management and control of our Company**

QYOU Media Inc. acquired the majority stake in Chatterbox on June 21, 2021. There has been no change in the management of our Company since June 2021.

### **Group Company / Entities**

For details of our group entities, please refer “**Our Group Entities**” on page 155 of the Draft Red Herring Prospectus.

### **Payment of Benefit to Promoters**

Except as stated above in “**Interest of Promoters**” and in “**Financial Statements- Annexure XV – Statement of Related Party Transactions**” on pages 153 and 158 of the Draft Red Herring Prospectus, there has been no payment of benefits to our Promoters, members of our Promoter Group and Group Entities, during the two years preceding the filing of the Draft Red Herring Prospectus.

### **Material Guarantees**

Our Company has not borrowed any loans accordingly our Promoters have not given any personal guarantees. Further, our Promoters have not given any other material guarantees to any third parties with respect to the Equity Shares, as on the date of this Draft Red Herring Prospectus.

### **Common Pursuits**

QYOU Media Inc. (QMI), our Promoter have objects similar to our Company and both are engaged in Influencer management activities. However, QMI operates in Canada and our Company is operating in India, accordingly there is segregation of business. We have accordingly not entered into any non-compete agreement with QMI.

### **Litigation**

For details relating to legal proceedings involving the Promoters, please refer ‘**Outstanding Litigations and Material Developments**’ on page 205 of the Draft Red Herring Prospectus.

### **Other Confirmations**

Our Promoters and their relatives have not been declared as Wilful Defaulters and there are no violations of securities laws committed by our Promoters in the past and no proceedings for violation of securities laws are pending against them.

None of our Promoters or Directors are Fugitive Economic Offenders under Section 12 of the Fugitive Economic Offenders Act, 2018.

None of the Promoters, Promoter Group entities or Group Companies have been debarred or prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

Our Promoters and members of the Promoter Group are not and have never been promoters, directors or person in control of any other company which is debarred or prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

There is no litigation or legal action pending or taken by any ministry, department of the Government or statutory authority during the last 5 (five) years preceding the date of the Offer against our Promoters, except as disclosed under the chapter titled “**Outstanding Litigation and Material Developments**” beginning on page 205 of this Draft Red Herring Prospectus.

Our Promoters are not interested in any entity which holds any intellectual property rights that are used by our Company.

There is no conflict of interests between the third-party service providers (crucial for operations of the Company) and the Company, Promoters and Promoter Group.

There is no conflict of interest between the lessor of the immovable properties (crucial for operations of the company) and the Company, Promoters and Promoter Group.

### **Guarantees**

Our Promoters have not given any guarantee to any third party as of the date of the Draft Red Herring Prospectus.

### **Companies with which our Promoters have disassociated in the last three years**

Our Promoters have not disassociated themselves as a promoter(s) from any Company in three years preceding the date of the Draft Red Herring Prospectus.

### **OUR PROMOTER GROUP**

In addition to the Promoters named above, the following individuals and entities form part of the Promoter Group:

#### **A. Individuals forming part of Promoter Group:**

As per Regulation 2(1) (pp) of the SEBI (ICDR) Regulations, 2018, the natural persons who are part of the Promoter Group (due to their relationship with the Promoter), other than the individual Promoter, are as follows:

<b>Relationship</b>	<b>Rajnandan Mishra</b>
Father	Bibekananda Mishra
Mother	Kasturika Mishra
Spouse	Gehna Khanna
Brother	N.A.
Sister	Dipsikha Mishra
Son	N.A.
Daughter	Hasrat Raj Mishra
Spouse's Father	Anoop Khanna
Spouse's Mother	Bublee Khanna
Spouse's Brother	Karan Khanna
Spouse's Sister	N.A.

#### **B. Entities forming part of Promoter Group:**

##### ***Companies***

- QYOU Media India Private Limited, India
- Maxamtech Digital Ventures Private Limited, India
- QYOU Productions Inc., Canada
- QYOU Limited, Ireland
- QYOUTV International Limited, Ireland
- QYOU USA Inc., USA

##### ***LLPs***

- Nil

##### ***Partnership Firms***

- Nil

##### ***H.U.F.***

- Nil

##### ***Proprietary concern***

- Nil

## OUR GROUP ENTITIES

As per the requirements of SEBI (ICDR) Regulations, for the purpose of identification of ‘Group Companies’, our Company considered companies as covered under the applicable accounting standards, being AS 18 (as mentioned in our restated financial statements), or other companies as considered material by our Board.

Accordingly, our Board has identified following entities as our Group Companies, and other than these entities, there are no companies which are considered material by the Board to be identified as group companies. Set forth below are details of our Group Companies as on the date of this Draft Red Herring Prospectus:

### 1. QYOU Media India Private Limited (QMIPL)

## DETAILS OF OUR GROUP COMPANIES

The details of our Group Companies are provided below:

### 1. QYOU Media India Private Limited (QMIPL)

#### *Corporate Information*

QMIPL is the Company incorporated on September 20, 2018 under the Companies Act 2013 vide certificate of incorporation issued by Registrar of Companies at Mumbai, Maharashtra. The CIN Number of QMIPL is U22219MH2018FTC314401. Registered office of QMIPL is situated at B-602, Sixth Floor, Vedanta, 779 Makwana Road, Marol, Andheri (East), Mumbai City, Mumbai - 400059, Maharashtra.

#### *Financial Information*

In accordance with SEBI ICDR Regulations, the financial information derived from the audited financial statements of QMIPL for the FY 2022, FY 2023 and FY 2024 will be available on the website, [www.theq.tv/about-us/](http://www.theq.tv/about-us/)

#### **Litigation**

There is no outstanding litigation involving our Group Companies which have a material impact on our Company.

#### **Group Companies under the Insolvency and Bankruptcy Code, 2016**

Neither has any winding up petition been filed under the Companies Act, 2013 against any group company nor has any corporate insolvency resolution process commenced against such group company under the Insolvency and Bankruptcy Code, 2016 or any other applicable law.

#### **Defunct Group Companies**

None of our Group Companies are defunct companies, nor has any application been made to strike off their names from the register of companies during the five years preceding the date of filing the Draft Red Herring Prospectus.

#### **Related Party Transactions and sales and purchases between our Company and Group Entities**

For details of related party transactions entered into by our Company, refer “*Related Party Transactions*” on page 158.

#### **Common Pursuits**

Our Group Company does not have objects or business similar to the business of our Company.

#### **Interest of Group Entities**

a) None of the Group Companies have any interest in the promotion of our Company.



(b) None of the Group Companies are interested in the properties acquired or proposed to be acquired by our Company in the preceding three years.

(c) Except as disclosed in “**Financial Statements**” beginning on page 160, none of the Group Companies is interested in any transactions for acquisition of land, construction of building or supply of machinery.

(d) Except in the ordinary course of business as disclosed in “**Financial Statements**” beginning on page 160, none of the Group Companies have any business interest or other interests in our Company.

#### **Payment or Benefit to our Group Entities**

Except as stated in the “*Related Party Transactions*” in “**Financial Statements**” beginning on page 160, there has been no payment of benefits to our Group Entities during the two years prior to the filing of this Draft Red Herring Prospectus.

#### **Other Confirmations**

As on the date of this Draft Red Herring Prospectus, none of the Group Entities: (i) are listed on any stock exchange; (ii) have completed any public or rights issue since the date of its incorporation; (iii) has received any winding up petition accepted by a court; (iv) have become defunct; (v) have made an application to the relevant registrar of companies (in India), for striking off its name (vi) have been identified as wilful defaulters, as defined under the SEBI (ICDR) Regulations and there are no violations of securities laws committed by them in the past and no proceedings pertaining to such penalties are pending against them (vii) have been refused listing of any of the securities issued by such entity by any stock exchange, in India or abroad (viii) except for QYOU Media India Private Limited, no other Company had negative net worth as of the date of their last audited financial statements.

QMIPL has entered into a Memorandum of Understanding with Oscar Media Private Limited (OMPL) on February 4, 2025 for the purpose of proposed acquisition of QMIPL’s broadcast business by Oscar Media Private Limited. The parties, QMIPL and OSMPL will be deciding the final modalities of the transaction (whether the acquisition to be consummated as slump sale or any other agreed upon methodology) and will execute a Long Form Agreement for consummation of the proposed acquisition.

## RELATED PARTY TRANSACTIONS

For details of related party transactions of our Company as per the requirements under Accounting Standard 18 “***Related Party Disclosures***” issued by the Institute of Chartered Accountants of India and as reported in the Restated Financial Statements, please refer “***Restated Statement of Related Parties & Transactions***” on page 187.

## **DIVIDEND POLICY**

The declaration and payment of dividends will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act, 2013. The dividend, if any, will depend on a number of factors, including but not limited to the earnings, capital requirements, contractual obligations, applicable legal restrictions, and overall financial position of our Company. Our Company has not declared any dividend in last three financial years.

Our Company has no formal dividend policy. Our Board may also, from time to time and in accordance with applicable laws, pay interim dividends from the profits of the Financial Year in which such interim dividend is sought to be declared.

## SECTION VI – FINANCIAL INFORMATION FINANCIAL STATEMENTS

### RESTATED FINANCIAL STATEMENTS

#### INDEPENDENT AUDITOR’S REPORT ON RESTATED FINANCIAL STATEMENTS

(As required by Section 26 of Companies Act, 2013 read with Companies (Draft Red Herring Prospectus and Allotment of Securities) Rules, 2014)

To,  
**The Board of Directors**  
**Chatterbox Technologies Limited**  
Unit No. 101 VIP Plaza Cooperative Premises Society Ltd,  
Andheri New Link Road, Opp Infinity Mall Behind Crystal Plaza,  
Andheri, Mumbai - 400053, Maharashtra, India.

Dear Sir,

1. We have examined the Restated Financial Statements of **Chatterbox Technologies Limited** (hereinafter referred as “the Company”), comprising the Restated Statement of Assets and Liabilities for the period ended December 31, 2024 and as at 31<sup>st</sup> March 2024, 31<sup>st</sup> March 2023, and 31<sup>st</sup> March 2022, the Restated Statements of Profit and Loss and the Restated Cash Flow Statement for the period ended December 31, 2024 and for the year ended 31<sup>st</sup> March 2024, 31<sup>st</sup> March 2023, and 31<sup>st</sup> March 2022, the Summary Statement of Significant Accounting Policies, and other explanatory information (collectively, the “Restated Financial Information”), as approved by the Board of Directors of the Company at their meeting held on January 21, 2025 for the purpose of inclusion in the Draft Red Herring Prospectus/ Prospectus (Here-in Offer Documents) prepared by the Company in connection with its proposed Initial Public Offer of equity shares (“IPO”). The restated Summary Statement have been prepared in terms of the requirements of:
  - i. Section 26 read with the applicable provisions of Companies (Prospectus and Allotment of Securities) Rules, 2014 of Companies Act, 2013, As amended (hereinafter referred to as the “Act”) and
  - ii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“the Regulation”) (“SEBI ICDR Regulations”) issued by the Securities and Exchange Board of India (SEBI) and amendments made thereto;
  - iii. The (Revised) Guidance Note on Reports in Company Prospectus issued by the Institute of Chartered Accountants of India (“ICAI”); and
2. The Company’s Board of Directors is responsible for the preparation of the Restated Financial Information for the purpose of inclusion in the Offer Documents to be filed with Securities and Exchange Board of India, Registrar of Companies, Mumbai and the BSE SME Exchange in connection with the proposed IPO. The Restated Financial Information have been prepared by the management of the Company on the basis of preparation stated in Annexure IV to the Restated Financial Information. The Board of Directors’ responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Financial Information. The Board of Directors are also responsible for identifying and ensuring that the Company complies with the Act, ICDR Regulations and the Guidance Note.
3. We have examined such Restated Financial Information taking into consideration:
  - a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated December 12, 2024 in connection with the proposed IPO of equity shares of the Issuer;
  - b) The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;
  - c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Financial Information; and

- d) The requirements of Section 26 of the Act and the ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the IPO.
4. These Restated Financial Information have been compiled by the management from the Audited Financial Statements of the Company for the period ended December 31, 2024 and for the financial years ended on March 31, 2024, 2023 and 2022 which has been approved by the Board of Directors.
- a) We have audited Financial Statements of the Company as at and for the period ended December 31, 2024 and for the years ended 31<sup>st</sup> March, 2024 and relied on the audited Financial Statements of the Company for 31<sup>st</sup> March, 2023 & 31<sup>st</sup> March, 2022 as audited by M/s. Kalyaniwalla and Mistry LLP, Chartered Accountants, and prepared in accordance with the Indian Accounting Standards (Indian GAAP) which have been approved by the Board of Directors at their meeting held on 4<sup>th</sup> February 2025, 29<sup>th</sup> September 2024, 4<sup>th</sup> September 2023 and 28<sup>th</sup> July 2022 respectively.
5. For the purpose of our examination, we have relied on:
- a) Our Audit Report upon audited financial statement of the Company as at and for the period ended December 31, 2024 for the years ended 31<sup>st</sup> March, 2024 and Audit Reports of audited Financial Statements of the Company for 31<sup>st</sup> March, 2023 & 31<sup>st</sup> March, 2022 as audited by M/s. Kalyaniwalla and Mistry LLP, Chartered Accountants.
6. Based on our examination and according to the information and explanations given to us, we report that:
- a. The “**Restated Summary Statement of Assets and Liabilities**” as set out in **Annexure I** to this report, of the Company as at and for the period ended December 31, 2024 and for the year ended on 31<sup>st</sup> March, 2024, 31<sup>st</sup> March, 2023 and 31<sup>st</sup> March, 2022 are prepared by the Company and approved by the Board of Directors. These Restated Summary Statement of Assets and Liabilities, have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more. These fully described in Significant Accounting Policies and Notes to Accounts as set out in **Annexure IV** to this Report.
- b. The “**Restated Summary Statement of Profit and Loss**” as set out in **Annexure II** to this report, of the Company as at and for the period ended December 31, 2024 and for the year ended on 31<sup>st</sup> March, 2024, 31<sup>st</sup> March, 2023 and 31<sup>st</sup> March, 2022 are prepared by the Company and approved by the Board of Directors. These Restated Summary Statement of Profit and Loss have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in **Annexure IV** to this Report
- c. The “**Restated Summary Statement of Cash Flow**” as set out in **Annexure III** to this report, of the Company as at and for the period ended December 31, 2024 and for the year ended 31<sup>st</sup> March, 2024, 31<sup>st</sup> March, 2023 and 31<sup>st</sup> March, 2022 are prepared by the Company and approved by the Board of Directors. These Restated Summary Statement of Cash Flow have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in **Annexure IV** to this Report.
- d. The Restated Summary Statement have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.
- e. The Restated Summary Statements have been made after incorporating adjustments for the changes in accounting policies retrospectively in respective financial period/years to reflect the same accounting treatment as per the changed accounting policy for all reporting periods, if any;
- f. The Restated Summary Statements have been made after incorporating adjustments for prior period and other material amounts in the respective financial years/period to which they relate, if any and there are no qualifications which require adjustments;

- g. Extra-ordinary items that need to be disclosed separately in the accounts has been disclosed wherever required;
  - h. There were no qualifications in the Audit Reports issued by the Statutory Auditors for the period ended December 31, 2024 and for the year ended on 31<sup>st</sup> March, 2024, 31<sup>st</sup> March, 2023 and 31<sup>st</sup> March, 2022 which would require adjustments in this Restated Financial Statements of the Company;
  - i. Profits and losses have been arrived at after charging all expenses including depreciation and after making such adjustments/restatements and regroupings as in our opinion are appropriate and are to be read in accordance with the Significant Accounting Policies and Notes to Accounts as set out in **Annexure IV** to this report;
  - j. There was no change in accounting policies, which needs to be adjusted in the Restated Summary Statements
  - k. There are no revaluation reserves, which need to be disclosed separately in the Restated Financial Statements;
  - l. The company has not proposed any dividend in past effective for the said period.
7. We have also examined the following other financial information relating to the Company prepared by the Management and as approved by the Board of Directors of the Company and annexed to this report relating to the Company for the period ended December 31, 2024 and for the year ended March 31, 2024, March 31, 2023 & March 31, 2022 proposed to be included in the Offer Documents.

<b>PARTICULARS</b>	<b>ANNEXURE NO.</b>
RESTATED STATEMENT OF ASSETS AND LIABILITIES	I
RESTATED STATEMENT OF PROFIT & LOSS	II
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SUMMARY SIGNIFICANT ACCOUNTING POLICY AND NOTES TO ACCOUNT AS RESTATED	IV
RESTATED STATEMENT OF SHARE CAPITAL	I.1
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RESTATED STATEMENT OF LONG-TERM PROVISIONS	I.3
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RESTATED STATEMENT OF REVENUE FROM OPERATIONS	II.1
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RESTATED STATEMENT OF COST OF SERVICES RENDERED	II.3
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<b>OTHER FINANCIAL INFORMATION</b>	
RESTATEDSTATEMENT OF ACCOUNTING RATIOS	VI
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STATEMENT OF RESTATEMENT ADJUSTMENTS	VIII

8. We, M/s. Joy Mukherjee & Associates, Chartered Accountants have been subjected to the peer review process of the Institute of Chartered Accountants of India (“ICAI”) and hold a valid peer review certificate issued by the “**Peer Review Board**” of the ICAI which is valid till June 30, 2026.
9. The Restated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the audited financial statements mentioned in paragraph 4 above.
10. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.
11. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
12. Our report is intended solely for use of the Board of Directors for inclusion in the Offer Documents to be filed with Securities and Exchange Board of India, the stock exchanges and Registrar of Companies, Mumbai in connection with the proposed IPO. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

**Signed in terms of our separate report of even date**  
**For Joy Mukherjee and Associates,**  
Chartered Accountants  
**Firm Registration No.:** 006792C

**Sd/-**

**Joy Mukherjee**  
**Partner**  
**Membership Number:** 074602

**Place:** Lucknow  
**Date:** February 04, 2025  
**UDIN:** 25074602BMICBT3494

**Chatterbox Technologies Limited (formerly Chatterbox Technologies Private Limited)****CIN: U93000MH2016PLC273833****Registered office Address:** Unit No. 101 VIP Plaza Cooperative Premises Society Ltd, Andheri New Link Road, Opp Infinity Mall Behind Crystal Plaza, Andheri, Mumbai - 400053, Maharashtra, India.**Annexure I****STATEMENT OF ASSETS AND LIABILITIES AS RESTATED****(₹ in Lakhs)**

Particulars	Note No.	31.12.24	31.03.24	31.03.23	31.03.22
<b>Equity &amp; Liabilities</b>					
<b>Shareholders Fund</b>					
Share capital	I.1	1,041.66	12.86	12.86	12.86
Reserves and surplus	I.2	1,278.61	1,665.08	812.46	684.62
<b>Total Shareholder's Fund</b>		<b>2,320.27</b>	<b>1,677.94</b>	<b>825.32</b>	<b>697.48</b>
<b>Non Current Liabilities</b>					
Long term provisions	I.3	5.97	4.51	1.84	2.15
<b>Total Current Liabilities</b>		<b>5.97</b>	<b>4.51</b>	<b>1.84</b>	<b>2.15</b>
<b>Current Liabilities</b>					
Trade Payables	I.4	1,108.76	489.03	459.96	329.40
Other Current Liabilities	I.5	239.54	207.74	444.54	534.01
Short Term Provisions	I.6	25.89	21.43	8.35	10.34
<b>Total Current Liabilities</b>		<b>1,374.19</b>	<b>718.20</b>	<b>912.85</b>	<b>873.75</b>
<b>Total Equity &amp; Liability</b>		<b>3,700.43</b>	<b>2,400.65</b>	<b>1,740.01</b>	<b>1,573.38</b>
<b>Non-Current Assets</b>					
Property, Plants and Equipment and Intangible Assets					
Property, Plants and Equipment	I.7	43.35	41.32	9.45	2.66
Intangible Assets	I.7	0.79	0.79	0.79	0.79
Capital WIP - Intangible asset under development		467.71	445.68	208.46	0.00
<b>Total Fixed Assets</b>		<b>511.85</b>	<b>487.79</b>	<b>218.70</b>	<b>3.45</b>
Deferred Tax Assets	I.10	26.97	27.03	30.25	15.67
Long term Loans and Advances	I.8	385.39	462.45	498.32	214.10
Other Non Current Assets	I.9	21.00	21.00	0.00	0.00
<b>Total Non Current Assets</b>		<b>945.21</b>	<b>998.27</b>	<b>747.27</b>	<b>233.22</b>
<b>Current assets</b>					
Trade Receivables	I.11	1,697.60	855.32	713.97	655.53
Cash and bank balances	I.12	258.35	152.94	259.53	657.01
Short Term Loans and advances	I.13	81.38	11.02	14.11	21.27
Other Current Assets	I.14	717.89	383.10	5.13	6.35
<b>Total Current Assets</b>		<b>2,755.22</b>	<b>1,402.38</b>	<b>992.74</b>	<b>1,340.16</b>
<b>Total Assets</b>		<b>3,700.43</b>	<b>2,400.65</b>	<b>1,740.01</b>	<b>1,573.38</b>



The above statement should be read with the Summary of significant accounting policies and other explanatory information.

As per our report of even date attached

**For Joy Mukherjee and Associates**

Chartered Accountants

Firm Registration No.: 006792C

Sd/-

CA Joy Mukherjee

Partner

Membership No. 074602

Place : Lucknow

Date: February 4, 2025

**For and on behalf of the Board of Directors**

**Chatterbox Technologies Limited**

Sd/-

Curt Marvis

DIN: 08231593

Place: Los Angeles

Date: February 4, 2025

Sd/-

Rajnandan Mishra

DIN: 10815241

Place: New Delhi

Date: February 4, 2025

Sd/-

Pooja Mehta

CFO

PAN: BOWPS9024P

Place: Mumbai.

Date: February 4, 2025

Sd/-

Prachi Kela

Company Secretary

PAN:CBJPB7760A

Place: Mumbai

Date: February 4, 2025

**Chatterbox Technologies Limited (formerly Chatterbox Technologies Private Limited)****CIN: U93000MH2016PLC273833****Registered office Address:** Unit No. 101 VIP Plaza Cooperative Premises Society Ltd, Andheri New Link Road, Opp Infinity Mall Behind Crystal Plaza, Andheri, Mumbai - 400053, Maharashtra, India.**Annexure II****STATEMENT OF PROFIT & LOSS AS RESTATED****(₹ in Lakhs)**

<b>Particulars</b>	<b>Note No.</b>	<b>31.12.24</b>	<b>31.03.24</b>	<b>31.03.23</b>	<b>31.03.22</b>
<b>Income</b>					
Revenue from Operations	II.1	4477.22	5,485.37	3,991.46	3,171.89
Other Income	II.2	22.97	51.60	28.53	26.49
<b>Total Revenue (A)</b>		<b>4,500.19</b>	<b>5,536.97</b>	<b>4,019.99</b>	<b>3,198.38</b>
<b>Expenditure</b>					
Cost of Services rendered	II.3	3111.95	3,697.23	3,001.31	2,369.23
Employee Benefit Expenses	II.4	405.67	431.05	510.44	358.21
Other Expenses	II.5	118.22	201.86	369.93	386.22
<b>Total (B)</b>		<b>3,635.84</b>	<b>4,330.14</b>	<b>3,881.68</b>	<b>3,113.66</b>
<b>Profit Before Interest, Depreciation and Tax (A-B)</b>		<b>864.35</b>	<b>1,206.83</b>	<b>138.31</b>	<b>84.72</b>
Depreciation and Amortisation Expenses		7.82	15.88	0.83	0.98
<b>Profit Before Interest and Tax</b>		<b>856.53</b>	<b>1,190.95</b>	<b>137.48</b>	<b>83.74</b>
Finance costs		0.00	0.00	0.00	0.00
<b>Profit before Taxation</b>		<b>856.53</b>	<b>1,190.95</b>	<b>137.48</b>	<b>83.74</b>
Provision for Taxation		214.13	335.11	25.92	26.29
Provision for Deferred Tax		0.07	3.22	-14.58	-14.33
Prior period Tax adjustments done in respective years		0.00	0.00	-1.70	5.34
<b>Total Taxes</b>		<b>214.20</b>	<b>338.33</b>	<b>9.64</b>	<b>17.30</b>
<b>Profit After Tax but Before Extra ordinary Items</b>		<b>642.33</b>	<b>852.62</b>	<b>127.84</b>	<b>66.44</b>
Extraordinary Exps. / (Income)		0.00	0.00	0.00	0.00
Prior Period Items		0.00	0.00	0.00	0.00
<b>Net Profit after adjustments</b>		<b>642.33</b>	<b>852.62</b>	<b>127.84</b>	<b>66.44</b>
<b>Net Profit Transferred to Balance Sheet</b>		<b>642.33</b>	<b>852.62</b>	<b>127.84</b>	<b>66.44</b>
<b>Basic and Diluted (face value per equity share Rs.10)</b>		<b>6.17</b>	<b>663.00</b>	<b>99.41</b>	<b>51.66</b>

The above statement should be read with the Summary of significant accounting policies and other explanatory information.

As per our report of even date attached

**For Joy Mukherjee and Associates**

Chartered Accountants

Firm Registration No.: 006792C

Sd/-

CA Joy Mukherjee

Partner

Membership No. 074602

**For and on behalf of the Board of Directors**

**Chatterbox Technologies Limited**

Sd/-

Curt Marvis

DIN: 08231593

Place: Los Angeles

Sd/-

Rajnandan Mishra

DIN: 10815241

Place: New Delhi

Place : Lucknow  
Date: February 4, 2025

Date: February 4, 2025

Sd/-  
Pooja Mehta  
CFO  
PAN: BOWPS9024P  
Place: Mumbai.  
Date: February 4, 2025

Date: February 4, 2025

Sd/-  
Prachi Kela  
Company Secretary  
PAN:CBJPB7760A  
Place: Mumbai  
Date: February 4, 2025

**Chatterbox Technologies Limited (formerly Chatterbox Technologies Private Limited)****CIN: U93000MH2016PLC273833****Registered office Address:** Unit No. 101 VIP Plaza Cooperative Premises Society Ltd, Andheri New Link Road, Opp Infinity Mall Behind Crystal Plaza, Andheri, Mumbai - 400053, Maharashtra, India.**Annexure III****STATEMENT OF CASH FLOWS AS RESTATED****(₹ in Lakhs)**

<b>PARTICULARS</b>	<b>31.12.24</b>	<b>31.03.24</b>	<b>31.03.23</b>	<b>31.03.22</b>
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Profit Before Tax	<b>856.53</b>	<b>1190.95</b>	<b>137.48</b>	<b>83.74</b>
<i>Adjusted for :</i>				
a. Depreciation and amortization expenses	7.82	15.88	0.83	0.98
b. Provision for doubtful receivables / (written back)	4.78	2.78	13.96	16.24
c. Bad debts written off	0.00	30.17	13.26	0.67
d. Loss on sale of property, plant and equipment	0.00	1.16	0.00	0.00
e. Sundry balances written back	0.00	(5.14)	(7.58)	(0.28)
f. Interest income on deposits	(22.97)	(12.45)	(19.94)	(23.47)
g. Other adjustments	0.00	0.00	0.00	0.26
<b>Operating profit before working capital changes</b>	<b>846.16</b>	<b>1223.35</b>	<b>138.01</b>	<b>78.14</b>
<i>Adjusted for :</i>				
a. Increase / (decrease) in trade payables	619.73	34.21	138.14	223.65
b. Increase / (decrease) in provisions	5.92	16.16	2.63	7.15
c. Increase / (decrease) in other current liabilities	40.25	(245.26)	(89.47)	458.38
d. ( Increase ) / Decrease in trade receivables	(847.07)	(174.30)	(85.66)	(340.58)
e. ( Increase ) / Decrease in short term loans and advances	(70.35)	3.08	7.16	(17.57)
f. ( Increase ) / Decrease in Other Current Assets	(316.49)	(378.51)	(0.94)	(3.00)
g. ( Increase ) / Decrease in Other Non-Current Assets	0.00	(21.00)	0.00	3.58
<b>Cash generated from operations</b>	<b>278.15</b>	<b>457.73</b>	<b>109.87</b>	<b>409.75</b>
Income Tax (Paid) / Received (net)	(409.78)	(26.95)	(313.35)	(218.31)
<b>Net cash generated from/(used in) operating activities (A)</b>	<b>(131.63)</b>	<b>430.78</b>	<b>(203.48)</b>	<b>191.44</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
a. Purchase of property, plant and equipment and cost incurred towards assets under development	(40.34)	(278.02)	(216.09)	(0.50)
b. Proceeds from disposal of property, plant and equipment	0.00	0.36	0.00	0.00
c. (Increase)/decrease in long term loans and advances to related parties	272.71	(272.71)	0.00	0.00
d. Interest received from deposits with banks	4.67	13.00	22.09	24.08
<b>Net cash generated from/(used in) investing activities (B)</b>	<b>237.04</b>	<b>(537.37)</b>	<b>(194.00)</b>	<b>23.58</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
a. Interest & Finance Cost	0.00	0.00	0.00	0.00
b. Proceeds from share issued	0.00	0.00	0.00	0.00
c. ( Repayments ) / proceeds of long term borrowings	0.00	0.00	0.00	0.00
d. ( Repayments ) / proceeds of short term borrowings	0.00	0.00	0.00	0.00
<b>Net cash generated/(used) in financing activities (C)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

PARTICULARS	31.12.24	31.03.24	31.03.23	31.03.22
<b>Net Increase / ( Decrease ) in cash and bank balances (A + B + C)</b>	<b>105.41</b>	<b>(106.59)</b>	<b>(397.48)</b>	<b>215.02</b>
<b>Cash and bank balances at the beginning of the year</b>	<b>152.94</b>	<b>259.53</b>	<b>657.01</b>	<b>441.99</b>
<b>Cash and bank balances at the end of the year</b>	<b>258.35</b>	<b>152.94</b>	<b>259.53</b>	<b>657.01</b>
<b>Components of cash and bank balances</b>				
Balances with banks:				
Current account balances	184.20	5.04	5.13	5.21
Sweep-in deposit accounts	74.15	147.90	254.40	651.80
<b>Total</b>	<b>258.35</b>	<b>152.94</b>	<b>259.53</b>	<b>657.01</b>

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, financing and investing activities of the company are segregated.

The above statement should be read with the Summary of significant accounting policies and other explanatory information.

As per our report of even date attached

**For Joy Mukherjee and Associates**

Chartered Accountants

Firm Registration No.: 006792C

Sd/-

CA Joy Mukherjee

Partner

Membership No. 074602

Place : Lucknow

Date: February 4, 2025

**For and on behalf of the Board of Directors**

**Chatterbox Technologies Limited**

Sd/-

Curt Marvis

DIN: 08231593

Place: Los Angeles

Date: February 4, 2025

Sd/-

Rajnandan Mishra

DIN: 10815241

Place: New Delhi

Date: February 4, 2025

Sd/-

Pooja Mehta

CFO

PAN: BOWPS9024P

Place: Mumbai.

Date: February 4, 2025

Sd/-

Prachi Kela

Company Secretary

PAN:CBJPB7760A

Place: Mumbai

Date: February 4, 2025

## Annexure IV

**SIGNIFICANT ACCOUNTING POLICY AND NOTES TO THE RESTATED SUMMARY STATEMENTS****Note No.1: Corporate Information**

The Company was incorporated as Chatterbox Technologies Private Limited on March 03, 2016 under the Companies Act, 2013 with the Registrar of Companies, Maharashtra at Mumbai. The status of the Company was changed to public limited and the name of our Company was changed to Chatterbox Technologies Limited vide Special Resolution dated October 28, 2024 pursuant to conversion of the Company into public limited Company. The fresh certificate of incorporation consequent to conversion was issued on December 04, 2024 by the Registrar of Companies, Central Processing Centre. The company is primarily engaged in the providing digital and influencer marketing services, and social media management services.

**Note No.2: SIGNIFICANT ACCOUNTING POLICY**

1. **Corporate information:** Chatterbox Technologies Limited or the "Company" was incorporated in India under the provisions of the Companies Act, 2013 on March 31, 2016. The Corporate Identity Number of the Company is U93000MH2016PLC273833. The Company is primarily engaged in providing digital and influencer marketing services, and social media management services.

**A. Significant accounting policies****i) Basis of preparation of financial statements**

The financial statements of the Company have been prepared on accrual basis under the historical cost convention and on going concern basis in accordance with the Generally Accepted Accounting Principles in India ('Indian GAAP') to comply with the Accounting Standards specified under section 133 of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014 and amendment thereto and the relevant provisions of the Companies Act, 2013 ('the Act').

**ii) Use of estimates**

The preparation of the financial statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (and disclosures of contingent liabilities and the reported income and expenses during the year. The Management believes that the estimates used in preparation the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known/materialized.

**iii) Current and non-current classification**

All assets and liabilities have been classified as current or non-current as per the company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products/services and the time between the acquisition of assets for processing and their realisation in cash and bank balances, the company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

**iv) Revenue recognition**

"Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Revenue from digital and influencer marketing is recognized as and when marketing campaign services are delivered to customers. Certain customers are invoiced in advance and such unearned revenue is deferred until delivery of services.

Revenue from social media management services are recognized in accordance with terms of the engagement and delivery of services.

Revenue is recognised proportionately by reference to the performance of each service. The revenue recognised under proportionate completion method would be determined on the basis of agreed value, number of deliverables or other suitable basis."

Interest is recognized on time proportion basis considering the amounts invested and the rate of interest.

**v) Expenditure**

Expenses are accounted for on accrual basis and provisions are made for all known losses and liabilities.

**vi) Property, plant and equipment**

Property, Plant and Equipment ("PPE") are stated at cost less accumulated depreciation and impairment loss (if any). The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its location and working condition for the intended use.

"Intangible asset under development is recognised at cost. The cost comprises of all costs directly attributable to development of asset.

Leasehold improvement is expected to have a useful life that is equal to or greater than the term of the lease, the asset is depreciated over the term of the lease."

**vii) Depreciation and amortization**

Depreciation has been provided on the written-down value method as per the rates and useful life as prescribed in Schedule II of the Companies Act, 2013. Unregistered Copyrights have been amortized over estimated turnover achievement.

Assets	Useful life (Years)
Leasehold Improvements	5 Years
Plant & Equipment	5 Years
Furniture & Fixtures	10 Years
Computer and Laptops	3 Years

**viii) Derecognition of Asset**

An item of Property, plant and equipment, intangible under development and other tangible and intangible asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognised in the statement of profit and loss in the period the asset is derecognised.

**ix) Investments**

Investments are classified as current or long term based on the management contention at the time of purchase. Long Term Investment are shown at cost. However when there is decline other than temporary in the value of long term investment, the carrying amount is reduced to recognize the decline. Current Investment are stated at lower of cost or market value.

**x) Borrowing Costs**

"Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings.

Borrowing costs directly attributable to the acquisition, construction or production of a asset one that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur."

**xi) Taxes on income**

Tax expense comprises of current tax and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the balance sheet date.

Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date.

Deferred tax liabilities are recognised for all taxable timing differences. Deferred tax assets are recognised for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

xii) **Foreign exchange transactions and translations**

**"Initial recognition-** Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction."

**"Conversion-** Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined."

**"Exchange differences-** Exchange differences are recognised as income or as expenses in the year in which they arise."

xiii) **Provisions and contingent and assets**

A provision is recognised when the Company has a present obligation as a result of past events and it is probable an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted reflect the current best estimates.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Contingent Assets are not recognised till the realization of the income is virtually certain. A contingent asset is disclosed where an inflow of economic benefits is probable.

xiv) **Earnings per share**

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items), as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares).

Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.



xv) **Employee benefits**

(a) Short term employee benefits- Short term employee benefit obligations are measured on an undiscounted basis and are expense as related service is provided. A liability is recognized for the amount expected to be paid such as bonus or arrears of salary based on union agreement finalized for past service provided by the employee.

(b) Defined contribution plan- The company makes defined contributions to Government Employee Provident Fund, Government Employee Pension Scheme, Employee Deposit Linked Insurance and ESI, which are recognised in the statement of profit and loss on accrual basis.

The company has no further obligations under these plans beyond its monthly contributions.

(c) Defined benefit plan – Gratuity-The Company provides retirement benefits in the form of Gratuity.

Benefits payable to eligible employees of the company with respect to gratuity, a defined benefit plan is accounted for on the basis of an actuarial valuation as at the balance sheet date.

In accordance with the Payment of Gratuity Act, 1972, the plan provides for lump sum payments to vested employees on retirement, death while in service or on termination of employment an amount equivalent to 15 days basic salary for each completed year of service. Vesting occurs upon completion of five years of service.

The present value of such obligation is determined by the projected unit credit method and adjusted for past service cost and fair value of plan assets as at the balance sheet date through which the obligations are to be settled.

The resultant actuarial gain or loss on change in present value of the defined benefit obligation is recognised as an income or expense in the statement profit and loss.

The Company does not have policy of encashment of accumulated leaves at end of a period. Accumulated leaves are only allowed to be carried forward to next period upto a limit specified by the company for that period.

xvi) **Cash and bank balances**

Cash and bank balances for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

xvii) **Events occurring after the Balance sheet date**

Events occurring after the Balance sheet date are considered up to the date of finalization of accounts, wherever material.

xviii) **Leases**

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term are classified as operating leases. Operating lease payments are recognised as an expense in the Statement of profit and loss account on a straight- line basis over the lease term.

**2. RATIO ANALYSIS**

**3. COMPLIANCE WITH APPROVED SCHEME OF ARRANGEMENTS**

No scheme of arrangements has been approved in terms of sections 230 to 237 of the Companies Act, 2013 is entered by company.

**4. MONEY LAUNDERING**

The Company has not advanced or loaned or invested (either from borrowed funds or share premium or any other source of funds) to other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the intermediary shall whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or behalf of the company (Ultimate Beneficiaries) or provide any guarantee, security or like on or behalf of the Ultimate Beneficiaries.

**5. UNDISCLOSED INCOME**

Sl. No.	Ratio Name	For the period ended December 31, 2024	FY 2023-24	Variance	Reason for variance
1	CURRENT RATIO	2.00	1.95	2.56%	Basis increase in creditors & decrease in debtors.
	(Current assets/ Current Liability)				
2	RETURN ON EQUITY (%)	27.68%	50.81%	-45.52%	Basis change in profit after taxes and shareholder's equity
	(Net Income/Shareholder's Equity)				
3	INVENTORY TURNOVER RATIO	N/A	N/A	N/A	N/A
	(Cost of goods sold/Average Inventory)				
4	TRADE RECEIVABLES TURNOVER RATIO	3.51	6.99	-49.79%	Basis change in credit sales and average trade receivables
	(Net annual credit sales/average accounts receivable)				
5	TRADE PAYABLES TURNOVER RATIO	3.90	7.79	-49.94%	Basis change in purchases of services and other expenses and average trade payables
	(Net annual credit purchases/ average accounts payable)				
6	NET CAPITAL TURNOVER RATIO	4.34	14.36	-69.78%	change in revenue and working capital
	(Net annual Sales/ Working Capital)				
7	NET PROFIT RATIO	14.35%	15.54%	-7.66%	Basis change in profit after taxes and revenue
	(Net Profit/Total Sales)				
8	RETURN ON CAPITAL EMPLOYED	36.92%	70.98%	-47.99%	Basis change in profit before taxes and capital employed
	(Earnings before interest and tax/Capital Employed)				

Sl. No.	Ratio Name	FY 2023-24	FY 2022-23	Variance	Reason for variance
1	CURRENT RATIO	1.95	1.09	78.90%	Basis increase in creditors & decrease in debtors.
	(Current assets/ Current Liability)				
2	RETURN ON EQUITY (%)	50.81%	15.49%	228.02%	Basis change in profit after taxes and shareholder's equity
	(Net Income/Shareholder's Equity)				
3	INVENTORY TURNOVER RATIO	N/A	N/A	N/A	N/A
	(Cost of goods sold/Average Inventory)				
4	TRADE RECEIVABLES TURNOVER RATIO	6.99	5.83	19.90%	Basis change in credit sales and average trade receivables
	(Net annual credit sales/average accounts receivable)				
5	TRADE PAYABLES TURNOVER RATIO	7.79	7.60	2.50%	Basis change in purchases of services and other expenses and average trade payables
	(Net annual credit purchases/ average accounts payable)				
6	NET CAPITAL TURNOVER RATIO	14.36	14.61	-1.71%	change in revenue and working capital
	(Net annual Sales/ Working Capital)				
7	NET PROFIT RATIO	15.54%	3.20%	385.63%	Basis change in profit after taxes and revenue
	(Net Profit/Total Sales)				
8	RETURN ON CAPITAL EMPLOYED	70.98%	16.66%	326.05%	Basis change in profit before taxes and capital employed
	(Earnings before interest and tax/Capital Employed)				

Sl. No.	Ratio Name	FY 2022-23	FY 2021-22		Reason for variance
1	CURRENT RATIO	1.09	1.53	-28.76%	Basis increase in creditors & decrease in debtors.
	(Current assets/ Current Liability)				
2	RETURN ON EQUITY (%)	15.49%	9.53%	62.54%	Basis change in profit after taxes and shareholder's equity
	(Net Income/Shareholder's Equity)				
3	INVENTORY TURNOVER RATIO	N/A	N/A	N/A	N/A
	(Cost of goods sold/Average Inventory)				
4	TRADE RECEIVABLES TURNOVER RATIO	5.83	5.83	0.00%	Basis change in credit sales and average trade receivables
	(Net annual credit sales/average accounts receivable)				
5	TRADE PAYABLES TURNOVER RATIO	7.60	11.99	-36.61%	Basis change in purchases of services and other expenses and average trade payables
	(Net annual credit purchases/ average accounts payable)				
6	NET CAPITAL TURNOVER RATIO	14.61	5.86	149.32%	change in revenue and working capital
	(Net annual Sales/ Working Capital)				
7	NET PROFIT RATIO	3.20%	2.09%	53.11%	Basis change in profit after taxes and revenue
	(Net Profit/Total Sales)				
8	RETURN ON CAPITAL EMPLOYED	16.66%	12.01%	38.72%	Basis change in profit before taxes and capital employed
	(Earnings before interest and tax/Capital Employed)				

There are non disclosed income offered in income tax by the Company.

6. The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall either 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.

## 7.CSR

The Company is not required by Section 135 of the companies act 2013 for CSR expenses.

## 8. CRYPTO CURRENCY

The Company has not traded or invested in Crypto currency or Virtual currency during the financial year

## 9. Transfer Pricing

The Company's international transactions with related parties are at arm's length as per the independent accountants report for the period covered in this report. Management believes that the company's international transactions with related parties post 31 December, 2024 continue to be at arm's length and that the transfer pricing legislation will not have any impact on these financial statements.

## 10. Contingent liabilities

There is no contingent liability as on the reporting date.

## NOTES ON ACCOUNTS AND RESTATEMENTS MADE IN THE RESTATED FINANCIALS

1. Balances of debtors, creditors and advances are subject to confirmation / reconciliations, if any. The management does not expect any material difference affecting the financial statements on such reconciliation / adjustments. In the opinion of the management, current assets, loans and advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the balance sheet. The provision for depreciation and for all known liabilities is adequate and no in excess of the amount reasonably stated.
2. In the opinion of Board of Directors, the Current Assets, Loans and Advances are approximately of the same value if realized in the ordinary course of business and the provisions of all known liabilities are adequate.
3. Consumption of consumables and raw material has been arrived by adding purchases to opening stock and deducting closing stock there from.
4. The contingent Liabilities are reported and as such no provision has been made in these accounts for such liability.
5. Other figures of the previous years have been regrouped / reclassified and / or rearranged wherever necessary.
6. Material Regroupings- Appropriate adjustments have been made in the restated summary statements of Assets and Liabilities Profits and Losses and Cash flows wherever required by reclassification of the corresponding items of income expenses assets and liabilities in order to bring them in line with the requirements of the SEBI Regulations.
7. Material Adjustments- There are no adjustments for any material amounts in the respective financial years have been made to which they relate, other than the adjustment for provision of Gratuity and prior period items.
8. Adjustments not having impact on profit- Appropriate adjustments have been made in the restated summary statements, wherever required, by a reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows in order to bring them in line with the groupings as per the audited financial statements of the Company, prepared in accordance with Schedule III and the requirements of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018.
9. Amounts in the financial statements-Amounts in the restated financial statements are reported in rupees in lakhs and rounded off to second digit of decimal. Figures in brackets indicate negative values.
10. Auditors Qualifications –Details of Auditors qualifications and their impact on restated financial statement is given below:
  - a) Qualification which required adjustment in restated financial statements: None
  - b) Qualification which does not require adjustment in restated financial statements: **None**

## CHANGES IN ACCOUNTING POLICIES IN THE PERIOD/YEARS COVERED IN THE RESTATED FINANCIALS

There have been no changes in accounting policies of the Company in the period covered under this restatement.

## Annexure – I.1

## STATEMENT OF SHARE CAPITAL AS RESTATED

(₹ in lakhs)

Particulars	31.12.24	31.03.24	31.03.23	31.03.22
<b>Authorised</b>				
Equity shares of ₹ 10/- each	1,600.00	20.00	20.00	20.00
<b>Issued, Subscribed &amp; Fully Paid-up</b>				
Equity shares of ₹ 10/- each	1,041.66	12.86	12.86	12.86

Note: The Company has only one class of equity shares of par value ₹ 10 each. Each equity shareholder is entitled to one vote per share held, and on liquidation entitled to receive balance of net assets remaining after settlement of all debts, creditors & preferential amounts, proportionate to their respective shareholding. No dividend is proposed.

## Reconciliation of No. of Equity Shares Outstanding at the end of the year:

Particulars	31.12.24	31.03.24	31.03.23	31.03.22
Shares outstanding at the beginning of the year	1,28,600	1,28,600	1,28,600	1,28,600
Shares issued during the year	0	0	0	0
Bonus Issued during the year*	1,02,88,000	0	0	0
Share outstanding at the end of the year	1,04,16,600	1,28,600	1,28,600	1,28,600

\*During the period December 2024, the company issued fully paid equity shares as bonus shares to existing shareholders in the ratio of 1:80, with the record date being 13 December 2024.

The bonus shares were issued by utilizing the Security Premium and General Reserves.

There is no movement in the number of equity shares outstanding during the period ended \ March 31, 2024, March 31, 2023, and March 31, 2022.

## Details of Shareholding more than 5% of the aggregate shares in the company:

Particulars	31.12.24	31.03.24	31.03.23	31.03.22
<b>Qyou Media Inc.</b>				
No. of Shares	75,20,607	1,26,031	1,26,031	1,24,744
% Holding	72.20	98.00	98.00	97.00
<b>Qyou Media India Private Limited</b>				
No. of Shares	9,37,494	-	-	-
% Holding	9.00	0.00	0.00	0.00
<b>Rajnandan Mishra</b>				
No. of Shares	10,20,600	-	-	-
% Holding	9.80	0.00	0.00	0.00
<b>Virtuous Capital Limited</b>				
No. of Shares	7,13,613	-	-	-
% Holding	6.85	0.00	0.00	0.00

**Details of shares held by the Promoters are as under:**

	31.12.24		31.03.24		31.03.23		31.03.22	
Name of Promoters	Number of shares	% share holding	Number of shares	% shareholding	Number of shares	% shareholding	Number of shares	% shareholding
QYOU Media Inc.	7,520,607	72.20	126,031	98.00	126,031	98.00	124,744	97.00
Raj Mishra	1,020,600	9.80	-	0	-	0	-	0
<b>Total</b>	<b>85,41,207</b>	<b>82.00</b>	<b>126,031</b>	<b>98.00</b>	<b>126,031</b>	<b>98.00</b>	<b>124,744</b>	<b>97.00</b>

**Details of shares held by holding company**

	31.12.24		31.03.24		31.03.23		31.03.22	
Name of Promoters	Number of shares	% share holding	Number of shares	% shareholding	Number of shares	% shareholding	Number of shares	% shareholding
QYOU Media Inc.	7,520,607	72.20	126,031	98.00	126,031	98.00	124,744	97.00
<b>Total</b>	<b>7,520,607</b>	<b>72.20</b>	<b>126,031</b>	<b>98.00</b>	<b>126,031</b>	<b>98.00</b>	<b>124,744</b>	<b>97.00</b>

**Annexure – I.2****STATEMENT OF RESERVES AND SURPLUS AS RESTATED**

(₹ in lakhs)

Particulars	31.12.24	31.03.24	31.03.23	31.03.22
<b>Statement of Profit &amp; Loss</b>				
Opening balance	1,567.84	715.22	587.38	520.94
Add: Profit for the year	642.33	852.62	127.84	66.44
Less: Utilised for Bonus Issue	-931.56	0.00	0.00	0.00
<b>Profit available for appropriation</b>	<b>1,278.61</b>	<b>1,567.84</b>	<b>715.22</b>	<b>587.38</b>
<b>Balance as at the end of the year</b>	<b>1,278.61</b>	<b>1,567.84</b>	<b>715.22</b>	<b>587.38</b>
<b>General Reserves</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Securities Premium Account</b>				
Opening balance	97.24	97.24	97.24	97.24
Add: Additions during the year	0.00	0.00	0.00	0.00
Less: Utilised for Bonus Issue	-97.24	0.00	0.00	0.00
<b>Balance as at the end of the year</b>	<b>0.00</b>	<b>97.24</b>	<b>97.24</b>	<b>97.24</b>
<b>Total Reserve &amp; Surplus</b>	<b>1,278.61</b>	<b>1,665.08</b>	<b>812.46</b>	<b>684.62</b>

**Annexure – I.3****STATEMENT OF LONG-TERM PROVISIONS AS RESTATED**

(₹ in Lakhs)

Particulars	31.12.24	31.03.24	31.03.23	31.03.22
Provision for Gratuity ( <i>Refer Annexure IX.4</i> )	5.97	4.51	1.84	2.15
<b>Total</b>	<b>5.97</b>	<b>4.51</b>	<b>1.84</b>	<b>2.15</b>

## Annexure – I.4

## STATEMENT OF TRADE PAYABLES AS RESTATED

(₹ in lakhs)

Particulars	31.12.24	31.03.24	31.03.23	31.03.22
Trade Payables				
- Total outstanding dues of micro enterprises and small enterprises	25.85	3.53	92.32	4.15
- Total outstanding dues of other creditors	1,082.91	485.50	367.64	325.25
<b>Total</b>	<b>1108.76</b>	<b>489.03</b>	<b>459.96</b>	<b>329.40</b>

Ageing of payables	Not Due	<1 Year	1-2 Years	2 – 3 Years	> 3 Years	Total
<b>31.12.2024</b>						
Micro and small enterprises	-	25.85	-	-	-	25.85
Others	802.65	249.82	13.11	16.55	0.78	1,082.91
<b>Total</b>	<b>802.65</b>	<b>275.67</b>	<b>13.11</b>	<b>16.55</b>	<b>0.78</b>	<b>1,108.76</b>
<b>31.03.2024</b>						
Micro and small enterprises	2.09	1.05	0.38	-	-	3.53
Others	400.64	73.25	10.34	1.17	-	485.40
<b>Total</b>	<b>402.73</b>	<b>74.41</b>	<b>10.73</b>	<b>1.17</b>	<b>-</b>	<b>489.03</b>
<b>31.03.2023</b>						
Micro and small enterprises	-	88.10	4.21	-	-	92.32
Others	50.43	303.45	9.42	3.52	0.82	367.64
<b>Total</b>	<b>50.43</b>	<b>391.56</b>	<b>13.63</b>	<b>3.52</b>	<b>0.82</b>	<b>459.96</b>
<b>31.03.2022</b>						
Micro and small enterprises	-	4.15	-	-	-	4.15
Others	282.25	38.65	3.52	0.82	-	325.25
<b>Total</b>	<b>282.25</b>	<b>42.80</b>	<b>3.52</b>	<b>0.82</b>		<b>329.40</b>

There were no disputed dues to MSME or others

## Annexure – I.5

## STATEMENT OF OTHER CURRENT LIABILITIES AS RESTATED

(₹ in lakhs)

Particulars	31.12.24	31.03.24	31.03.23	31.03.22
Statutory Dues	99.41	53.64	109.87	46.34
Advance from Customers	6.40	17.75	12.23	13.68
Capital Creditors	0.00	8.46	0.00	0.00
Employee Benefits payable	92.44	99.34	32.65	40.43
Deferred Revenue	30.46	15.83	30.00	122.14
Payable to Related Parties	0.00	0.00	216.00	300.00
Others	10.83	12.72	43.79	11.42
<b>Total</b>	<b>239.54</b>	<b>207.74</b>	<b>444.54</b>	<b>534.01</b>



## Annexure – I.6

## STATEMENT OF SHORT-TERM PROVISIONS AS RESTATED

(₹ in lakhs)

Particulars	31.12.24	31.03.24	31.03.23	31.03.22
Provision for Gratuity ( <i>Refer Annexure IX.4</i> )	25.89	21.43	7.93	5.00
Prior period Tax adjustments	0.00	0.00	0.42	5.34
<b>Total</b>	<b>25.89</b>	<b>21.43</b>	<b>8.35</b>	<b>10.34</b>

## Annexure – I.7

## STATEMENT OF FIXED ASSETS AS RESTATED

**FY 2024- 25 (Till 31.12.2024)**

(₹ in lakhs)

Particulars	Gross Block				Net Block	
	As at 01-04-2024	Additions/ Adjustments	Deductions/ Adjustments	As at 31-12-2024	As at 31-12-2024	As at 31-03-2024
Office Equipment	1.55	0.33	0.00	1.88	1.16	0.82
Leasehold Improvements	52.90	9.52	0.00	62.42	40.65	37.60
Computer & Peripherals	11.50	0.00	0.00	11.50	1.54	2.90
Furniture & Fixture	0.00	0.00	0.00	0.00	0.00	0.00
Electrical Installations	0.00	0.00	0.00	0.00	0.00	0.00
<b>TOTAL TANGIBLE ASSETS</b>	<b>65.95</b>	<b>9.85</b>	<b>0</b>	<b>75.8</b>	<b>43.35</b>	<b>41.32</b>
Intangible Assets – Copyrights	15.77	0.00	0.00	15.77	0.79	0.79
<b>TOTAL INTANGIBLE ASSETS</b>	<b>15.77</b>	<b>0.00</b>	<b>0.00</b>	<b>15.77</b>	<b>0.79</b>	<b>0.79</b>

**FY 2023-24**

(₹ in lakhs)

Particulars	Gross Block				Net Block	
	As at 01-04-2023	Additions/ Adjustments	Deductions/ Adjustments	As at 31-03-2024	As at 31-03-2024	As at 31-03-2023
Office Equipment	1.47	1.18	1.10	1.55	0.82	0.07
Leasehold Improvements	0.00	52.90	0.00	52.90	37.60	0.00
Computer & Peripherals	11.50	0.00	0.00	11.50	2.90	7.80
Furniture & Fixture	5.70	0.00	5.70	0.00	0.00	1.30
Electrical Installations	1.25	0.00	1.25	0.00	0.00	0.28
<b>TOTAL TANGIBLE ASSETS</b>	<b>19.92</b>	<b>54.08</b>	<b>8.05</b>	<b>65.95</b>	<b>41.32</b>	<b>9.45</b>
Intangible Assets - Copyrights	15.77	0.00	0.00	15.77	0.79	0.79
<b>TOTAL INTANGIBLE ASSETS</b>	<b>15.77</b>	<b>0</b>	<b>0</b>	<b>15.77</b>	<b>0.79</b>	<b>0.79</b>

**FY 2022- 23**

(₹ in lakhs)

	Gross Block				Net Block	
Particulars	As at 01-04-2022	Additions/ Adjustments	Deductions/ Adjustments	As at 31-03-2023	As at 31-03-2023	As at 31-03-2022
Office Equipment	1.47	0.00	0.00	1.47	0.07	0.13
Computer & Peripherals	1.88	9.62	0.00	11.50	7.80	0.39
Furniture & Fixture	5.70	0.00	0.00	5.70	1.30	1.76
Electrical Installations	1.25	0.00	0.00	1.25	0.28	0.38
<b>TOTAL TANGIBLE ASSETS</b>	<b>10.3</b>	<b>9.62</b>	<b>0</b>	<b>19.92</b>	<b>9.45</b>	<b>2.66</b>
Intangible Assets - Copyrights	15.77	0.00	0.00	15.77	0.79	0.79
<b>TOTAL INTANGIBLE ASSETS</b>	<b>15.77</b>	<b>0.00</b>	<b>0.00</b>	<b>15.77</b>	<b>0.79</b>	<b>0.79</b>

**For FY 2021 - 22**

(₹ in lakhs)

	Gross Block				Net Block	
Particulars	As at 01-04-2021	Additions/ Adjustments	Deductions/ Adjustments	As at 31-03-2022	As at 31-03-2022	As at 31-03-2021
Office Equipment	1.47	0.00	0.00	1.47	0.13	0.24
Computer & Peripherals	1.38	0.50	0.00	1.88	0.39	0.04
Furniture & Fixture	5.70	0.00	0.00	5.70	1.76	2.36
Electrical Installations	1.25	0.00	0.00	1.25	0.38	0.50
<b>TOTAL TANGIBLE ASSETS</b>	<b>9.8</b>	<b>0.50</b>	<b>0.00</b>	<b>10.3</b>	<b>2.66</b>	<b>3.14</b>
Intangible Assets - Copyrights	15.77	0.00	0.00	15.77	0.79	0.79
<b>TOTAL INTANGIBLE ASSETS</b>	<b>15.77</b>	<b>0.00</b>	<b>0.00</b>	<b>15.77</b>	<b>0.79</b>	<b>0.79</b>

**Intangible assets under development**

Particulars	31-12-2024	31-03-2024	31-03-2023	31-03-2022
Balance at the beginning of the year	445.68	208.46	-	-
Additions	22.04	237.22	208.46	-
<b>Closing Balance</b>	<b>467.71</b>	<b>445.68</b>	<b>208.46</b>	<b>-</b>

Ageing Schedule as on	< 1 Year	1 -2 Years	2 – 3 Years	> 3 Years	Total
31-12-2024	101.88	157.37	20.846	-	467.71
31-03-2024	237.22	208.46	-	-	445.68
31-03-2023	208.46	-	-	-	-
31-03-2022	-	-	-	-	-

Annexure – I.8

**STATEMENT OF LONG-TERM LOAN AND ADVANCES AS RESTATED**

(₹ in lakhs)

Particulars	31.12.24	31.03.24	31.03.23	31.03.22
Loans and advances to related parties	0.00	272.71	0.00	0.00
Advance Tax (net of Provision for taxes)	385.39	189.74	498.32	214.10
<b>Total</b>	<b>385.39</b>	<b>462.45</b>	<b>498.32</b>	<b>214.10</b>

**Annexure – I.9****STATEMENT OF OTHER NON CURRENT ASSETS AS RESTATED**

(₹ in lakhs)

Particulars	31.12.24	31.03.24	31.03.23	31.03.22
<u>Unsecured, considered good</u>				
Security Deposit	21.00	21.00	0.00	0.00
<b>Total</b>	<b>21.00</b>	<b>21.00</b>	<b>0.00</b>	<b>0.00</b>

**Annexure – I.10****STATEMENT OF DEFERRED TAX ASSETS / (LIABILITIES) AS RESTATED**

(₹ in lakhs)

Particulars	31.12.24	31.03.24	31.03.23	31.03.22
<b>Deferred Tax Asset</b>				
Depreciation and Amortization	4.16	4.11	1.00	1.18
Gratuity	5.46	4.07	2.46	1.80
Provision for doubtful debts and allowances	12.33	11.07	24.86	10.47
Provision for bonus	5.02	7.78	1.93	2.22
<b>Closing Deferred Tax Asset / (Liability)</b>	<b>26.97</b>	<b>27.03</b>	<b>30.25</b>	<b>15.67</b>

**Annexure – I.11****STATEMENT OF TRADE RECEIVABLES AS RESTATED**

(₹ in lakhs)

Particulars	31.12.24	31.03.24	31.03.23	31.03.22
Debts outstanding for more than six months	34.57	12.04	57.48	52.91
Other Debts	1,663.03	843.28	656.49	602.62
<b>Total</b>	<b>1,697.60</b>	<b>855.32</b>	<b>713.97</b>	<b>655.53</b>

Refer Annexure V for related party transactions

Ageing of receivables	< 6 months	6 months – 1 Year	1 – 2 Years	2 – 3 Years	> 3 Years	Total
<b>31.12.2024</b>						
Undisputed, considered good	1663.03	3.25	3.70	1.37	26.25	1697.60
Undisputed, considered doubtful	4.84	3.93	11.50	15.42	2.14	37.82
<b>31.03.2024</b>						
Undisputed, considered good	843.28	12.04	-	-	-	855.32
Undisputed, considered doubtful	-	3.93	11.50	15.42	2.14	32.99

Ageing of receivables	< 6 months	6 months – 1 Year	1 – 2 Years	2 – 3 Years	> 3 Years	Total
<b>31.03.2023</b>						
Undisputed, considered good	656.49	21.20	6.08	-	-	683.76
Undisputed, considered doubtful	-	-	23.35	5.43	1.43	30.21
<b>31.03.2022</b>						
Undisputed, considered good	602.62	29.38	5.43	1.43	0.44	639.29
Undisputed, considered doubtful	-	16.24	-	-	-	16.24

There were no disputed receivables.

#### Annexure – I.12

#### STATEMENT OF CASH AND BANK BALANCES AS RESTATED

Particulars	31.12.24	31.03.24	31.03.23	31.03.22
<b>Balance with Banks</b>				
Current account balances	184.20	5.04	5.13	5.21
Sweep-in deposit accounts	74.15	142.90	249.40	646.80
Other bank balances:				
Earmarked balances with banks*	0.00	5.00	5.00	5.00
<b>Total</b>	<b>258.35</b>	<b>152.94</b>	<b>259.53</b>	<b>657.01</b>

\* \* Earmarked balances represent deposit accounts against credit card. till March 31, 2024 and as on December 31, 2024 the same is Nil

#### Annexure – I.13

#### STATEMENT OF SHORT-TERM LOANS & ADVANCES AS RESTATED

(₹ in lakhs)

Particulars	31.12.24	31.03.24	31.03.23	31.03.22
Advance to Suppliers	19.00	2.54	13.21	14.00
Prepaid Expenses	62.38	8.48	0.90	7.27
<b>Total</b>	<b>81.38</b>	<b>11.02</b>	<b>14.11</b>	<b>21.27</b>

#### Annexure – I.14

#### STATEMENT OF OTHER CURRENT ASSETS AS RESTATED

(₹ in lakhs)

Particulars	31.12.24	31.03.24	31.03.23	31.03.22
Security deposits	0.00	0.00	3.94	3.00
Unbilled Revenue	293.95	382.46	0.00	0.00
Other receivables	405.00	0.00	0.00	0.00
Interest accrued but not due on related party loans and advances	18.94	0.00	0.00	0.00
Interest accrued on deposits	0.00	0.64	1.19	3.35
<b>Total</b>	<b>717.89</b>	<b>383.10</b>	<b>5.13</b>	<b>6.35</b>

## Annexure – II.1

## STATEMENT OF REVENUE FROM OPERATIONS AS RESTATED

(₹ in lakhs)

Particulars	For the FY/Period ended			
	31.12.24	31.03.24	31.03.23	31.03.22
<b>Professional Fees from digital and influencer marketing (Chtrbox)</b>				
- Domestic	3764.10	4972.79	3732.42	2961.22
- Export	182.78	161.05	113.04	210.67
<b>Professional Fees from social media management (Chtrsosial)</b>				
- Domestic	530.34	351.13	144.30	0.00
- Export	0.00	0.40	1.70	0.00
<b>Total</b>	<b>4,477.22</b>	<b>5,485.37</b>	<b>3,991.46</b>	<b>3,171.89</b>

## Annexure – II.2

## STATEMENT OF OTHER INCOME AS RESTATED

(₹ in lakhs)

Particulars	For the FY/Period ended			
	31.12.24	31.03.24	31.03.23	31.03.22
Interest Income from Bank Deposits	1.93	12.45	19.94	23.47
Interest on delayed receipts under MSMED	0.00	10.86	0.00	0.00
Foreign Exchange fluctuations (net)	0.00	0.00	1.01	2.74
Sundry balances written off	0.00	5.15	7.58	0.28
Interest on Income Tax refund	0.00	23.14	0.00	0.00
Interest on Loan to related party	21.04	0.00	0.00	0.00
<b>Total</b>	<b>22.97</b>	<b>51.60</b>	<b>28.53</b>	<b>26.49</b>

## Annexure – II.3

## STATEMENT OF COST OF SERVICES RENDERED AS RESTATED

(₹ in lakhs)

Particulars	For the FY/Period ended			
	31.12.24	31.03.24	31.03.23	31.03.22
Payment to Influencers and other campaign related costs	3,111.95	3,697.23	3,001.31	2,369.23
<b>Total</b>	<b>3,111.95</b>	<b>3,697.23</b>	<b>3,001.31</b>	<b>2,369.23</b>

## Annexure – II.4

## STATEMENT OF EMPLOYEE BENEFIT EXPENSES AS RESTATED

(₹ in lakhs)

Particulars	For the FY/Period ended			
	31.12.24	31.03.24	31.03.23	31.03.22
Salaries and Wages	392.96	400.84	497.90	347.12
Contribution to PF and other funds	4.55	6.77	5.52	3.94
Gratuity expenses	5.92	16.16	6.67	7.15
Staff Welfare	2.24	7.28	0.35	0.00
<b>Total</b>	<b>405.67</b>	<b>431.05</b>	<b>510.44</b>	<b>358.21</b>

**Annexure – II.5****STATEMENT OF OTHER EXPENSES AS RESTATED**

(₹ in lakhs)

Particulars	For the FY/Period ended			
	31.12.24	31.03.24	31.03.23	31.03.22
Management Fees	-	50.00	216.00	300.00
Legal and professional fees	46.87	49.18	76.15	29.97
Office Rent	13.93	12.72	10.10	7.63
General, administrative and other office expenses	8.66	9.65	7.77	8.11
Marketing and promotion	8.28	12.28	6.38	2.70
Bad-debts written off	-	30.16	13.26	0.67
Software and technology costs	17.70	5.68	15.34	12.28
Interest expenses on delayed payment to micro and small enterprises	1.50	1.37	1.72	2.46
Rates and Taxes	0.25	3.02	0.14	-
Payment to the auditor	6.28	9.29	7.95	6.00
Sales Commission	-	-	-	-
Foreign exchange fluctuations (net)	6.28	9.25	-	-
Insurance expenses	3.29	5.07	-	-
Loss on disposal of Property, Plant and equipments	-	1.16		
Bank charges	0.40	0.19	0.80	0.16
Equipment rental charges	-	0.06	0.35	-
Provision for doubtful receivables / (written back)	4.78	2.78	13.97	16.24
<b>TOTAL</b>	<b>118.22</b>	<b>201.86</b>	<b>369.93</b>	<b>386.22</b>

**STATEMENT OF AUDITOR'S REMUNERATION AS RESTATED**

(₹ in lakhs)

Particulars	For the FY/Period ended			
	31.12.24	31.03.24	31.03.23	31.03.22
<b>Payment to Auditor</b>				
Statutory audit	6.28	7.80	6.60	6.00
Tax matters	-	0.20	1.35	-
<b>Total</b>	<b>6.28</b>	<b>8.00</b>	<b>7.95</b>	<b>6.00</b>

**Annexure – V****STATEMENT OF**

**RELATED PARTY TRANSACTIONS AS RESTATED**

The company has entered into related party transactions with below mentioned parties and transactions are identified as per accounting standard 18 issued by Institute of Chartered Accountants of India for the periods covered under audit:

As per Accounting Standard 18 on related party disclosure issue by the Institute of Chartered Accountants of India, the Company's related parties are disclosed below:

<b>A. Entities</b>	<b>Relationship</b>
Qyou Media Inc.	Holding Company w.e.f. June 14, 2021
Qyou USA Inc.	Fellow Subsidiary
Maxamtech Digital Ventures Private Limited	Fellow Subsidiary
Qyou Media India Private Limited	Fellow Subsidiary

<b>B. Key Managerial Personnel</b>	<b>Relationship</b>
Raj Mishra	KMP w.e.f. December 12, 2023
Pranay Swarup	Director upto October 23, 2024
Rohit Raj	Director upto October 23, 2024
Kevin Williams	Director (w.e.f. from May 29, 2023)
Andrew Kaplan Jay	Additional Director upto September 15, 2023
Curt Marvis	Director
Krishna Rajgopal Menon	Director upto October 23, 2024

<b>C. Relatives of Key Managerial Personnel</b>	<b>Relationship</b>
Julie Kriegshaber	Spouse of Pranay Swarup
<b>D. Others</b>	<b>Relationship</b>
Glitch Media Private Limited*	A Private Company in which a director or a relative of a director is a member or a director and transactions have taken place

\* The Company was included as related party due to Rohit Raj was related to it as Director since April 01, 2020 to October 11, 2022. Rohit Raj was also related to our Company as Director till October 23, 2024

**Related Party Transactions**

		(₹ in lakhs)			
<b>Name of the related party</b>	<b>Nature of Transaction</b>	<b>31.12.24</b>	<b>31.03.24</b>	<b>31.03.23</b>	<b>31.03.22</b>
Rajnandan Mishra*	KMP/ Director Remuneration	225.00	125.00	0.00	0.00
Pranay Swarup	Director Remuneration	0.00	0.00	130.35	58.09
Julie Kriegshaber	Remuneration	0.00	27.35	22.58	28.29
Pranay Swarup	Professional Charges	0.00	23.40	20.62	0.00
Qyou Media Inc.	Sales	0.00	0.00	4.00	0.00
Qyou Media India Private Limited	Sales	0.00	300.00	0.00	0.00
Glitch Media Private Limited	Sales	0.00	0.00	30.14	58.46
Qyou Media Inc.	Management fees paid	0.00	50.00	216.00	300.00
Qyou Media India Private Limited*	Reimbursement of Expenses	450.00	303.02	0.00	0.00
Qyou Media India Private Limited	Interest on Long term advances	21.04	0.00	0.00	0.00

Name of the related party	Nature of Transaction	31.12.24	31.03.24	31.03.23	31.03.22
<b>Details of Balances outstanding with Related parties at period / year end</b>					
Qyou Media Inc.	Management fees	0.00	0.00	216.00	300.00
Qyou Media Inc.	Trade Receivable	0.00	0.00	4.00	0.00
Rajnandan Mishra	Remuneration payable	15.62	16.78	0.00	0.00
Qyou Media India Private Limited	Trade Receivable	322.26	270.00	0.00	0.00
Qyou Media India Private Limited	Interest accrued but not due	18.94	0.00	0.00	0.00
Qyou Media India Private Limited*	Loans & Advances / Other Receivable	405.00	272.71	0.00	0.00
Glitch Media Private Limited	Trade Receivable	0.00	0.00	0.70	14.63
Pranay Swarup	Remuneration / Professional Charges	0.00	0.00	14.18	6.50
Julie Kriegshaber	Remuneration payable	0.00	0.00	1.34	3.13

\*The Company has entered into an Expense Reimbursement Agreement dated April 05, 2023 and further Addendum Agreement No. 1 dated November 01, 2023 and Addendum Agreement No. 2 dated April 01, 2024 (all Agreements together is referred as “Reimbursement Agreements”), with its fellow subsidiary QYOU Media India Private Limited (QMIPL), engaged in Media and Entertainment Industry, pursuant to which the Companies share certain resources and expenditures such as general administration, security, office space, employees, content creation and allied services, finance and accounts and others in order to optimise the costs and for efficient business synergies on the group level and therefore, may engage with different external and internal service providers to carry out various business activities. Pursuant to the said Reimbursement Agreements, 2/3<sup>rd</sup> of Rajnandan Mishra’s salary is agreed to be reimbursed by QYOU Media India Private Limited to our Company.

## Annexure – VI

## STATEMENT OF ACCOUNTING RATIOS AS RESTATED

(₹ in lakhs)

Particulars	31.12.24	31.03.24	31.03.23	31.03.22
EBITDA (₹ in Lacs)	864.35	1,206.83	138.31	84.72
Net Profit as restated after Exceptional item (₹ in Lacs)	642.33	852.62	127.84	66.44
Net Worth (₹ in Lacs)	2,320.27	1,677.94	825.32	697.48
Return on Net worth (%)	27.68%	50.81%	15.49%	9.53%
Equity Share at the end of year (in Nos.)	1,04,16,600	1,28,600	1,28,600	1,28,600
(Face Value ₹ 10)	10.00	10.00	10.00	10.00
Add: Bonus issue done on December 13, 2024	1,02,88,000	1,02,88,000	1,02,88,000	1,02,88,000
Weighted No. of Equity Shares	1,04,16,600	1,28,600	1,28,600	1,28,600
Weighted No. of Equity Shares considering Bonus in all the previous years	1,04,16,600	1,04,16,600	1,04,16,600	1,04,16,600
Basic and Diluted Earnings per Equity Share	6.17	663.00	99.41	51.66
Basic and Diluted Earnings per Equity Share adjusted for Bonus done on December 13, 2024 in all previous years	6.17	8.19	1.23	0.64
Net Asset Value/Book Value per Equity share (Based on no of share at the end of year)	22.27	1,304.77	641.77	542.36



Particulars	31.12.24	31.03.24	31.03.23	31.03.22
Net Asset Value/Book Value per Equity share (Based on no of share at the end of year adjusted for Bonus done on December 13, 2024 in all previous years)	22.27	16.11	7.92	6.70

**Note:-**

- a) Earnings per share (Rs.) = Profit available to equity shareholders / weighted No. of shares outstanding at the end of the year.
- b) Return on Net worth (%) = Restated Profit after taxation / Net worth x 100
- c) Net asset value / Book value per share (Rs.) = net worth / No. of equity shares.
- d) The Company does not have any revaluation reserves.

**Annexure – VII****STATEMENT OF CAPITALIZATION AS RESTATED**

(₹ in lakhs)

Particulars	Pre-Issue As at 31.12.2024	Pre-Issue As at 31.03.2024	Post Issue*
<b>Debt :</b>			
Short term debt	0.00	0.00	**
Long term debt	0.00	0.00	**
<b>Total Debt</b>	<b>0.00</b>	<b>0.00</b>	<b>**</b>
<b>Shareholders' Funds</b>			
Equity Share Capital	1,041.66	12.86	1,414.38
Reserves and Surplus	1,278.61	1,665.08	**
Less: Revaluation Reserves	0.00	0.00	0.00
Less: Misc. Expenditure	0.00	0.00	0.00
<b>Total Shareholders' Funds</b>	<b>2,320.27</b>	<b>1,677.94</b>	<b>**</b>
Long Term Debt/ Shareholders' Funds	0.00	0.00	**
<b>Total Debt / Shareholders Fund</b>	<b>0.00</b>	<b>0.00</b>	<b>**</b>

\*Based on the assumption that Fresh Issue of Equity Shares will be fully subscribed.

\*\* To be finalized at the Final Prospectus stage

**Annexure – VIII****STATEMENT OF RESTATEMENT ADJUSTMENT**

(₹ in lakhs)

Particulars	31.12.24	31.03.24	31.03.23	31.03.22
<b>Balance Sheet</b>				
<b>Sundry Debtors as per Audited Financial Statement</b>	<b>1697.60</b>	<b>855.32</b>	<b>656.49</b>	<b>630.17</b>
Add: Impact of adjustment for Doubtful debts	0.00	0.00	57.48	25.36
<b>Sundry Debtors as per Restated Financial Statement</b>	<b>1697.60</b>	<b>855.32</b>	<b>713.97</b>	<b>655.53</b>
<b>Profit &amp; Loss</b>				
<b>Profit after Tax as per Audited Financial Statements</b>	<b>642.33</b>	<b>909.68</b>	<b>90.80</b>	<b>47.72</b>
Add: Prior period items as per P&L Statements		0.42	3.22	-1.31
Less: Prior period tax adjusted in respective years		0.00	-1.70	5.33
Add: Provision for Doubtful debts as per P&L Statements	4.78	-35.30	46.08	41.60
Less: Provision for Doubtful debts as per Restated Financial Statements	4.78	2.78	13.96	16.24

Particulars	31.12.24	31.03.24	31.03.23	31.03.22
Add: Impact due to increase in bad debts written off	0.00	19.40	0.00	0.00
<b>Profit after Tax as per Restated Financial Statements</b>	<b>642.33</b>	<b>852.62</b>	<b>127.84</b>	<b>66.44</b>

**OTHER DISCLOSURES****Annexure - IX****Annexure – IX.1****TRANSACTIONS IN FOREIGN CURRENCY**

(₹ in lakhs)

Particulars	Currency	31.12.24		31.03.24		31.03.23		31.03.22	
		Value	INR	Value	INR	Value	INR	Value	INR
<b>A) Expenditure</b>									
Management fee	CAD	-	-	0.81	50.00	3.56	216.00	3.75	300.00
Professional Charges	SGD	-	-	0.36	29.88	0.35	22.04	-	-
	USD	0.17	14.13	-	-	0.16	12.91	0.23	11.20
<b>Total</b>			<b>14.13</b>		<b>79.88</b>		<b>250.95</b>		<b>311.20</b>
<b>B) Earnings</b>									
Revenue from operations	USD	0.21	18.05	0.99	81.70	1.18	10782	4.20	10,00.21
	CAD	-	-	-	-	-	-	0.04	1.36
	EURO	0.30	32.58	1.30	64.00	-	-	0.02	1.76
	SGD	1.11	70.06	0.26	15.75	0.55	3.06	-	168.04
	POUND	0.57	62.08	-	-	0.72	7.36	0.18	18.87
<b>Total</b>			<b>182.78</b>		<b>161.45</b>		<b>118.24</b>		<b>200.03</b>
<b>C) Unhedged exposure</b>									
Trade receivables	USD	0.10	8.19	0.19	15.29	0.34	28.36	0.14	10.64
	POUND	0.13	18.89	-	-	0.07	7.36	-	-
	CAD	-	-	-	-	-	-	0.04	2.28
	SGD	0.21	13.00	-	-	-	-	-	-
	EURO	0.06	5.32	0.32	28.49	-	-	-	-
<b>Total</b>			<b>45.39</b>		<b>43.78</b>		<b>35.72</b>		<b>12.93</b>

**Annexure – IX.2****DISCLOSURE UNDER AS 17 - SEGMENT REPORTING**

The Company primarily provides digital and influencer marketing services, and social media management services and operates only in one business segment. Further, the Company primarily operates in a single geographic segment.

**Annexure – IX.3**

**DISCLOSURE UNDER ACCOUNTING STANDARD - 19 ON 'LEASES'**

The lease rentals in respect of office space charged during the period and maximum obligations on non-cancellable operating leases payable as per the rentals stated in the lease agreement are given in accordance with the Accounting Standard (AS-19) on "Leases" issued by the Institute of Chartered Accountants of India.

(₹ in lakhs)

Particulars	31.12.24	31.03.24	31.03.23	31.03.22
Lease Payments				
Lease Rent paid during the year	33.08	38.39	10.10	7.63
Future lease obligation				
(i) Not later than 1 year	45.75	44.10	1.37	7.51
(ii) later than 1 year but not later than 5 years	111.25	145.98	-	-

**Annexure – IX.4****DISCLOSURE UNDER AS 15 - EMPLOYEE BENEFITS**

The Company provides for gratuity, a defined benefit plan (unfunded) for qualifying employees. Gratuity is payable to all eligible employees on death or on separation / termination in terms of the provisions of the Gratuity Act or as per Company's policy whichever is beneficial to the employees.

Following table sets out the status of the gratuity provided and the amounts recognized in the Company's financial statements as at:

(₹ in lakhs)

Particulars	31.12.24	31.03.24	31.03.23	31.03.22
<b>Change in present value of obligation</b>				
Present value of obligation at the beginning of the year	25.94	9.78	7.15	-
Interest cost	1.38	0.72	0.31	-
Past Service Cost	-	-	-	5.81
Service cost	4.63	4.85	1.98	1.34
Benefits paid	-	-	(4.04)	-
Transfer (Out) / In	-	-	-	-
Actuarial (gain) / loss on obligation	(0.09)	10.60	4.38	7.15
<b>Present value of obligation at the end of the year</b>	<b>31.86</b>	<b>25.94</b>	<b>9.78</b>	<b>7.15</b>
<b>Change in plan assets</b>	-	-	-	-
<b>Actuarial gain / (loss) to be recognized</b>	(0.09)	10.60	4.38	7.15
<b>Amount recognized in the Balance Sheet:</b>				
Liability as at year end	31.86	25.94	9.78	7.15

Particulars	31.12.24	31.03.24	31.03.23	31.03.22
Fair value of plan assets as at the year end	-	-	-	-
<b>Net obligation as at the year end</b>	<b>31.86</b>	<b>25.94</b>	<b>9.78</b>	<b>7.15</b>
Current	25.89	21.43	7.93	5.00
Non-current	5.97	4.51	1.84	2.15
<b>Expenses recognised in the Statement of Profit and Loss:</b>				
Current service cost	4.63	4.85	1.98	1.34
Interest cost	1.38	0.72	0.31	-
Expected return on plan assets	-	-	-	-
Net actuarial (gain)/ loss to be recognized	(0.09)	10.60	4.38	-
Past service cost	-	-	-	5.81
<b>Net gratuity cost</b>	<b>5.92</b>	<b>16.16</b>	<b>6.67</b>	<b>7.15</b>
<b>Assumptions used in accounting for the gratuity plan:</b>				
Discount rate	7%	7%	7%	7%
Attrition rate	80%	80%	80%	80%
Salary escalation rate	8%	8%	8%	8%
Retirement age	65 years	65 years	65 years	65 years
Mortality table	100% of IALM 2012-14	100% of IALM 2012-14	100% of IALM 2012-14	100% of IALM 2012-14

The salary growth rate indicated above is the Company's best estimate of an increase in salary of the employees in future years, determined considering the general trend in inflation, seniority, promotions, past experience and other relevant factors such as demand and supply in employment market, etc.

#### Annexure – IX.5

#### DISCLOSURE FOR OUTSTANDING DUES TO MICRO AND SMALL ENTERPRISES

Micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) have been identified by the Company on the basis of the information available with the Company and the auditors have relied on the same. The payment to MSME vendor is pending as the service is not completely received from vendor.

Particulars	31.12.24	31.03.24	31.03.23	31.03.22
Dues remaining unpaid	-	-	90.59	8.36
Principal	-	-	90.59	8.36
Interest	-	-	1.72	-
Interest paid in terms of Section 16 of MSMED Act	-	-	-	-
Amount of payments made to supplier beyond the appointed day	25.85	95.34	-	-
Amount of interest due and payable for the period of delay on payments made beyond the appointed day during the year without adding interest specified under MSMED Act	1.50	1.05	-	-
Amount of interest accrued and remaining unpaid	2.94	0.67	-	-
Amount of further interest remaining due and payable in succeeding years for the purpose of disallowance under section 23 of the Act	-	-	-	-

#### Annexure – IX.6

## OTHER REGULATORY DISCLOSURES

- a) The Company does not possess any immovable property on the reporting date. The clause of title deed in respect to immovable property is not applicable.
- b) There is no revaluation of property, plant and equipment during reporting year.
- c) There are no loans and advances given to Key Managerial Personnel, Promoters or related parties which are repayable on demand or granted without specifying any terms or period of repayment.
- d) The Company does not have any capital work-in-progress as on reporting date.
- e) There are no proceedings initiated or pending against company for holding any benami property under the Benami Transactions (Prohibitions) Act, 1988 (45 of 1988) and the Rules made thereunder.
- f) There are no borrowings or any security mortgage during the period.
- g) The Company does not have any transactions with companies struck off under section 248 of Companies
- h) The Company does not have any subsidiary company during the period.
- i) The Company does not have any borrowings during the period and utilization reporting clause is not applicable.

As per our report of even date attached

**For Joy Mukherjee and Associates**

Chartered Accountants

Firm Registration No.: 006792C

Sd/-

CA Joy Mukherjee

Partner

Membership No. 074602

Place : Lucknow

Date: February 4, 2025

**For and on behalf of the Board of Directors**

**Chatterbox Technologies Limited**

Sd/-

Curt Marvis

DIN: 08231593

Place: Los Angeles

Date: February 4, 2025

Sd/-

Rajnandan Mishra

DIN: 10815241

Place: New Delhi

Date: February 4, 2025

Sd/-

Pooja Mehta

CFO

PAN: BOWPS9024P

Place: Mumbai.

Date: February 4, 2025

Sd/-

Prachi Kela

Company Secretary

PAN:CBJPB7760A

Place: Mumbai

Date: February 4, 2025

## MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*You should read the following discussion of our financial condition and results of operations together with our restated financial statements included in the Draft Red Herring Prospectus. You should also read the section entitled “Risk Factors” on page 23Error! Bookmark not defined., which discusses a number of factors, risks and contingencies that could affect our financial condition and results of operations. The following discussion relates to our Company and is based on our restated financial statements, which have been prepared in accordance with Indian GAAP, the Companies Act and the SEBI Regulations. Portions of the following discussion are also based on internally prepared statistical information and on other sources.*

*Our financial statements have been prepared in accordance with Indian GAAP, the Companies Act and the ICDR Regulations and restated as described in the report of our auditor dated February 04, 2025 which is included in this Draft Red Herring Prospectus under “Financial Statements” on page 160. The Restated Financial Information has been prepared on a basis that differs in certain material respects from generally accepted accounting principles in other jurisdictions, including US GAAP and IFRS. Our financial year ends on March 31 of each year, and all references to a particular financial year are to the twelve-month period ended March 31 of that year.*

### **Business Overview:**

Our Company was incorporated in India under the provisions of the Companies Act, 2013 on March 03, 2016. The Corporate Identity Number of the Company is U93000MH2016PLC273833. The Company is primarily engaged in providing digital and influencer marketing services, and social media management services through two segments, viz., “Chtrbox” and “Chtrsocal”.

The “Chtrbox” and “Chtrsocal” have been briefly discussed below:

#### **C) Chtrbox:**

Chtrbox is an influencer and marketing platform and agency in India, connecting brands/ products and social media influencers. Since 2016, the company has managed approximately thousand plus campaigns with approximately 500 Influencers and content creators to reach and engage large number of subscribers of social media platforms such as Instagram. Chtrbox uses the latest technology like HypeAuditor with the strategy to build influencer content and campaigns mainly for marketing and brand building on social media platforms. As of now we primarily operate in India, with our HQ in Mumbai.. We have successfully rendered our services outside India in international markets like Singapore, UAE, USA and UK helping us build a global footprint. As part of our expansion strategy, we are targeting key international markets such as the UAE and Southeast Asia, where influencer marketing is on the rise.

#### **D) Chtrsocal:**

ChtrSocial is the Social Media Management and Brand Design wing of Chtrbox. With creative talents in strategy, content, design and production ChtrSocial aims at humanizing brands with creative social media content, short form videos production and strategic storytelling. Key markets where ChtrSocial services provided in India includes Mumbai, Delhi, and Bangalore and Internationally, we’ve previously serviced inbound clients from the USA, however, as on date we are not providing Chtrsocal services to any of the international clients.

For more details of our Business, please refer to chapter titled “***Our Business***” on page 111.

### **Significant Developments Subsequent to the Last Financial Period**

In the opinion of the Board of Directors of our Company, since the date of the last financial statements disclosed in this Draft Red Herring Prospectus, there have not arisen any circumstance that materially or adversely affect or are likely to affect the business or profitability of our Company or the value of its assets or its ability to pay its material liabilities within the next twelve months.

### **Key factors affecting the results of operation:**

Our results of operations and financial condition are affected by numerous factors, including those discussed in the section titled “Risk Factors” on page 23. In particular, we believe that the following specific factors have had a significant impact on our results of operations and financial condition during the period under review and may continue to impact our results of operations and financial condition in the future.

- Our ability to geographical within India and Aboard;
- Our ability to retain and increase revenue contributed by existing clients and establish new client relationships;
- Our ability to provide Integrated service offerings to our customers;
- Our ability to retain our existing exclusive influencers and to appoint/ hire new exclusive influencers;
- Our ability to changes with the ever-developing trends, technologies and preferences in the sectors we cater too;
- Our ability to manage manpower costs;
- Our ability to compete effectively against current and future competitors etc

## RESULTS OF OPERATIONS

### Description of the major components of revenue and expense items: -

Our total revenue consists of Professional fees from Digital and Influencer marketing and Professional fees from Social media management and Other income.

#### Revenue

Revenue from Operations: Our revenue from operations consists of Professional fees from Digital and Influencer marketing and Professional fees from Social media management.

Other income: Our Other Income mainly comprises of Interest Income on Bank Deposits.

#### Expenses

Cost of Services rendered comprised of payment to influencers, campaign expenses including ad production costs, equipment hire, charges towards social media management and other incidental direct costs.

Employee Benefit expense includes, Directors Remunerations, salaries & stipend, contribution to PF and other funds and Gratuity expenses and staff welfare expenses.

Other expenses mainly include management fees, legal and professional fees, office rent, marketing and promotion expenses, server charges, bad debts write off etc.

Depreciation and Amortization Expenses: Depreciation and Amortization Expenses comprised depreciation on tangible fixed assets.

Tax Expense- Our tax expense or credit for the period represents the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary & permanent differences, as applicable.

## OUR SIGNIFICANT ACCOUNTING POLICIES

For Significant accounting policies please refer *Significant Accounting Policies*, "Annexure IV" beginning under "Auditors' Report and Financial Information of our Company" on page 101.

## DISCUSSION ON RESULTS OF OPERATIONS:

The following discussion on results of operations should be read in conjunction with the audited financial results of our Company for the period ended December 31, 2024 and financial years ended March 31, 2024, 2023 and 2022.

**For the period ended December 31, 2024**

(₹ lakhs)

Particulars	For the period ended 31.12.24	% of Total Income
<b>Income</b>		
Revenue from Operations	4,477.22	99.49
Other Income	22.97	0.51
<b>Total Revenue</b>	<b>4,500.19</b>	<b>100.00</b>
<b>Expenditure</b>		
Cost of Services rendered	3,111.95	69.15
Employee Benefit Expenses	405.67	9.01
Other Expenses	118.22	2.63
<b>Total (B)</b>	<b>3,635.84</b>	<b>80.79</b>
<b>Profit Before Interest, Depreciation and Tax</b>	<b>864.35</b>	<b>19.21</b>
Depreciation and Amortisation Expenses	7.82	0.17
<b>Profit Before Interest and Tax</b>	<b>856.53</b>	<b>19.03</b>
Financial Charges	0.00	-
<b>Profit before Taxation</b>	<b>856.53</b>	<b>19.03</b>
Total Taxes	214.20	4.76
<b>Profit After Tax but Before Extra-ordinary Items</b>	<b>642.33</b>	<b>14.27</b>

**Total Income:** We recorded Revenue from Operations of ₹ 4477.22 Lakhs and Other Income earned by us was ₹ 22.97 Lakhs. Total Income for the period ended December 31, 2024 was ₹ 4500.19 Lakhs. The operational revenue includes Rs 3946.88 Lakhs from Professional fees from Digital and Influencer marketing services and Rs 530.34 Lakhs from Professional fees from Social media management services. The other income is interest income from bank deposits and interest on outstanding balances of related parties.

**Total Operating Expenses:** The total operating expenditure amounted to ₹ 3,635.84 lakhs which was 80.79% of the Total Income. It includes payment towards Cost of Services rendered of ₹ 3,111.95 Lakhs, Employee benefit expenses of ₹ 405.67 Lakhs and Other Expenses as disclosed in next para.

Other Expenses stood at ₹ 118.22 lakhs which was 2.63% of the Total Income. Other expenses mainly include Legal and Professional fees Rs 46.87 Lakhs, Office Rent Rs 13.93 Lakhs, Marketing and Promotion charges Rs 8.28 Lakhs, Software & Technology costs Rs 17.70 Lakhs, loss due to foreign exchange fluctuations Rs 6.28 Lakhs, provision of doubtful debts Rs 4.78 Lakhs etc.

Employee Benefit Expenses stood at ₹ 405.67 lakhs which was 9.01% of the Total Income. The employee benefits expenses include director remuneration, salaries and stipend, contribution to PF and other funds, gratuity expenses and staff welfare expenses.

**Depreciation and Amortization Expenses:** Depreciation and Amortization cost worked out to ₹ 7.82 lakhs, which is 0.17% of our Total Income.

**Financial Charges:** Financial charges were Nil for the period.

**Total Tax Expenses:** Tax Expenses for the period were ₹ 214.20 Lakhs.

**Profits:** Our PBDIT stood at ₹ 864.35 lakhs for the period ended December 31, 2024 with the PBDIT margin of 19.21%. We recorded Net Profit after tax of ₹ 642.33 lakhs. Our Net Profit Margin stood at 14.27%.



## Comparison of Financial Years ended March 31, 2024, 2023 and 2022

(₹ lakhs)

Particulars	31.03.24	31.03.23	31.03.22
<b>Income</b>			
<b>Revenue from Operations</b>	<b>5,485.37</b>	<b>3,991.46</b>	<b>3,171.89</b>
Increase/Decrease (%)	37.43%	25.84%	
<b>Other Income</b>	<b>51.60</b>	<b>28.53</b>	<b>26.49</b>
<b>Total Income</b>	<b>5,536.97</b>	<b>4,019.99</b>	<b>3,198.38</b>
Increase/Decrease (%)	37.74%	25.69%	
<b>Expenditure</b>			
<b>Cost of Services rendered</b>	<b>3,697.23</b>	<b>3,001.31</b>	<b>2,369.23</b>
Increase/Decrease (%)	23.19%	26.68%	
% to Total Income	66.77%	74.66%	74.08%
<b>Employee Benefit Expenses</b>	<b>431.05</b>	<b>510.44</b>	<b>358.21</b>
Increase/Decrease (%)	-15.55%	42.50%	
% to Total Income	7.78%	12.70%	11.20%
<b>Other Expenses</b>	<b>201.86</b>	<b>369.93</b>	<b>386.22</b>
Increase/Decrease (%)	-45.43%	-4.22%	
% to Total Income	3.65%	9.20%	12.08%
<b>Total Operating Expenditure</b>	<b>4,330.14</b>	<b>3,881.68</b>	<b>3,113.66</b>
Increase/Decrease (%)	11.55%	24.67%	
% to Total Income	78.20%	96.56%	97.35%
<b>PBDIT</b>	<b>1,206.83</b>	<b>138.31</b>	<b>84.72</b>
Increase/Decrease (%)	772.55%	63.26%	
% to Total Income	21.80%	3.44%	2.65%
<b>Depreciation and Amortization Expenses</b>	<b>15.88</b>	<b>0.83</b>	<b>0.98</b>
Increase/Decrease (%)	1813.25%	-15.31%	
% to Total Income	0.29%	0.02%	0.03%
<b>Profit Before Interest and Tax</b>	<b>1,190.95</b>	<b>137.48</b>	<b>83.74</b>
Increase/Decrease (%)	766.27%	64.17%	10238.27%
% to Total Income	21.51%	3.42%	2.62%
<b>Financial Charges</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
Increase/Decrease (%)	NA	NA	

Particulars	31.03.24	31.03.23	31.03.22
% to Total Income	0.00%	0.00%	0.00%
<b>Profit before Taxation</b>	<b>1,190.95</b>	<b>137.48</b>	<b>83.74</b>
Increase/Decrease (%)	766.27%	64.17%	
% to Total Income	21.51%	3.42%	2.62%
<b>Total Tax Expenses</b>	<b>338.33</b>	<b>9.64</b>	<b>17.30</b>
Increase/Decrease (%)	3409.65%	-44.28%	
% to Total Income	6.11%	0.24%	0.54%
<b>Profit After Tax but Before Extra ordinary Items</b>	<b>852.62</b>	<b>127.84</b>	<b>66.44</b>
Increase/Decrease (%)	566.94%	92.41%	
% to Total Income	15.40%	3.18%	2.08%
<b>Total Adjustments for Extraordinary Items</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
Increase/Decrease (%)	NA	NA	
% to Total Income	0.00%	0.00%	0.00%
<b>Profit After Tax after Extra ordinary Items</b>	<b>852.62</b>	<b>127.84</b>	<b>66.44</b>
Increase/Decrease (%)	566.94%	92.41%	
% to Total Income	15.40%	3.18%	2.08%

**Comparison of FY 2024 with FY 2023:****Revenue from operations & Other Income****Revenue breakup:**

Particulars	31.03.24 (₹ in lakhs)	31.03.24 (%)	31.03.23 (₹ in lakhs)	31.03.23 (%)
<b><u>Chtrbox</u></b>				
Brand Solutions	2,713.08	49.46	2,413.05	60.45
Represent	2,420.75	44.13	1,432.40	35.89
<b><u>Chtrsocal</u></b>	351.54	6.41	146.01	3.66
<b>Total</b>	<b>5,485.37</b>	<b>100.00</b>	<b>3,991.46</b>	<b>100.00</b>

The Revenue from operations for the FY 2024 is ₹ 5,485.37 lakhs as compared to ₹ 3,991.46 lakhs during the FY 2023 showing an increase of 37.43%. This overall increase in sales was mainly due to increase in sales of Chtrsocal by more than 100% and increase in sales from Chtrbox Represent due to business generated by addition of exclusive influencers and more business generated by our existing exclusive influencers during the year.

FY 2024 compared to FY 2023.

The revenue during FY 2024 comprises of revenue from Chtrbox – Brand Solutions services of ₹ 2,713.08 Lakhs, Chtrbox-Represent services of ₹ 2,420.75 Lakhs and Chtrsocal services of ₹ 351.54 Lakhs against FY 2023 revenue comprises of revenue from Chtrbox – Brand Solutions services of ₹ 2,413.05 Lakhs, Chtrbox-Represent services of ₹ 1,432.40 Lakhs and Chtrsocal services of ₹ 146.01 Lakhs showing an overall increase of 37.43% during FY 2024.

Other Income for the FY 2024 and FY 2023 was ₹ 51.60 lakhs and ₹ 28.53 lakhs respectively, comprises of Interest on Bank Deposits, Interest on receipt of delayed payment under MSME act, profit from fluctuation of foreign exchanges, Interest on Income tax refund and sundry balances written off.

Hence the Total Income for the FY 2024 and FY 2023 was ₹ 5,536.97 lakhs and ₹ 4,019.99 lakhs respectively.

**Expenditure:****Cost of Services rendered**

Cost of Services rendered was ₹ 3,688.82 lakhs for FY 2024 and ₹ 3,000.32 lakhs for FY 2023. Cost of Services rendered shows an increase of 22.95% during FY 2024 due to increase in Revenue. The below table indicates the breakup of Cost of Services based on revenue breakup described above:

**Cost of Services breakup:**

Particulars	31.03.24 (₹ in lakhs)	31.03.24 (%)	31.03.23 (₹ in lakhs)	31.03.23 (%)
<b><u>Break-up</u></b>				
Payment to influencers	3,604.44	97.49	2,939.18	97.93
Campaign and ad production related expenses	84.38	2.28	59.83	1.99
Social media marketing expenses	8.41	0.23	2.30	0.08
<b>Total</b>	<b>3,697.23</b>	<b>100.00</b>	<b>3,001.31</b>	<b>100.00</b>

Cost of Services rendered comprised of payment to influencers, campaign expenses including ad production costs, equipment hire, charges towards social media management and other incidental direct costs. The increase in cost of services during FY2024 is mainly on account of increase in revenue from operations.

Apart from payment to influencers, there was Campaign and ad production related expenses of ₹ 84.38 Lakhs and social media marketing spends ₹ 8.41 Lakhs for FY 2024 and Campaign and ad production related expenses of ₹ 59.83 Lakhs and social media marketing spends of ₹ 2.30 Lakhs for FY 2023. The increase campaign and ad production related expenses and social media marketing expenses is mainly due to increase in revenue of Chtrs social.

From the above table, it can be understood that the overall cost of services has come down as a % of total revenue during FY 2024 to 66.77% as compared to 74.66% during FY 2023 showing a decrease of appx 8%. The main reason for the fall in cost of services is on account of higher revenue in chtrs social and chtrbox brand solutions which includes consultancy and advisory services for marketing and branding, content strategy, social media strategy and digital marketing for the clients where our major cost is our employee cost.

### **Employee Benefit Expenses**

Employee Benefit Expenses decreased from ₹ 510.44 lakhs for the financial year ended March 31, 2023 to ₹ 431.05 lakhs for FY 2024 showing a decrease of 15.55%. This decrease was mainly due to Nil director's remuneration in FY2024. Employee Benefit Expenses stood at 7.78% and 12.70% of Total income for FY 2024 and FY 2023, respectively.

### **Other Expenses**

Other Expenses decreased to ₹ 201.86 lakhs for FY 2024 from ₹ 369.93 lakhs for FY 2023 showing a decrease of 45.43%. Other Expenses was 3.65% of Total income during FY 2024 as against 9.20% during FY 2023, this reduction was mainly due to reduction in management fees, legal and professional fees, provision for doubtful debts etc.

### **EBIDTA**

EBIDTA increased from ₹ 138.31 lakhs for FY 2023 to ₹ 1,206.83 lakhs for FY 2024 mainly due to increase in overall revenue. Our gross profit (revenue less cost of services rendered) for FY 2024 stood at ₹ 1,787.17 lakhs and the same turnover normalized at gross profit rate of FY 2023 would have been ₹ 1,423.57 lakhs. Further increase in gross profit is on account of higher revenues in chtrs social and chtrbox brand solutions which includes consultancy and advisory services for marketing and branding, content strategy, social media strategy and digital marketing. Apart from above, reduction in management fees, remuneration to director, legal and professional fees, provision for doubtful debts etc. contributed to EBIDTA margin of 21.80% of the Total income for FY 2024 as against 3.44% during FY 2023

### **Depreciation**

Depreciation on fixed assets was 0.29% of Total income during FY 2024 as compared to 0.02% during FY 2023. The total depreciation during FY 2024 was ₹ 15.88 lakhs and during FY 2023 it was ₹ 0.83 lakhs.

### **Interest and Financial Charges**

Interest and Financial Charges were Nil during both the period as there was no debts and accordingly there was no such charges.

### **Profit after Tax and restatement adjustment (PAT)**

PAT increased from ₹ 127.84 lakhs for the FY 2023 to ₹ 852.62 lakhs in FY 2024. This increase was mainly on account of increase in EBITDA as explained above which has translated into higher PAT margin for our Company.

**Comparison of FY 2023 with FY 2022:****Revenue from operations & Other Income**

Particulars	31.03.23 (₹ in lakhs)	31.03.23 (%)	31.03.22 (₹ in lakhs)	31.03.22 (%)
<b><u>Chtrbox</u></b>				
Brand Solutions	2,413.05	60.45	2,268.98	71.53
Represent	1,432.40	35.89	902.91	28.47
<b><u>Chtrsocal</u></b>	146.01	3.66	0.00	0.00
<b>Total</b>	<b>3,991.46</b>	<b>100.00</b>	<b>3,171.89</b>	<b>100.00</b>

The Revenue from operations for the FY 2022 is ₹ 3,171.89 lakhs as compared to ₹ 3,991.46 lakhs during the FY 2023 showing an increase of 25.69% during FY 2023. This overall increase in sales was mainly due to addition of exclusive influencers and increased business generated by our exclusive influencers and further due to acqui-hire of Blazonion and launch of Chtrsocal during FY 2023 compared to FY 2022.

The revenue during FY 2022 comprises of revenue from Chtrbox – Brand Solutions services of ₹ 2,268.98 Lakhs, Chtrbox-Represent services of ₹ 902.91 Lakhs and Chtrsocal services of ₹ Nil Lakhs against FY 2023 revenue comprises of revenue from Chtrbox – Brand Solutions services of ₹ 2,413.05 Lakhs, Chtrbox- Represent services of ₹ 1,432.40 Lakhs and Chtrsocal services of ₹ 146.01 Lakhs showing an overall increase of 25.84% during FY 2023.

Other Income for the FY 2022 and FY 2023 was ₹ 26.49 lakhs and ₹ 28.53 lakhs respectively, comprises of Interest on Bank Deposits, profit from foreign exchange fluctuations, and sundry balances written off during both the years.

Hence the Total Income for the FY 2022 and FY 2023 was ₹ 3,198.38 lakhs and ₹ 4,019.99 lakhs respectively.

**Expenditure:****Cost of Services rendered**

Cost of Services rendered was ₹ 2,369.23 lakhs for FY 2022 and ₹ 3,001.31 lakhs for FY 2023. Cost of Services rendered shows an increase of 26.68% during FY 2023 due to increase in Revenue. The below table indicates the breakup of Cost of Services rendered:

**Cost of Services breakup:**

Particulars	31.03.23 (₹ in lakhs)	31.03.23 (%)	31.03.22 (₹ in lakhs)	31.03.22 (%)
<b><u>Break-up</u></b>				
Payment to influencers	2,939.18	97.93	2,362.74	99.73
Campaign and ad production related expenses	59.83	1.99	6.49	0.27
Social media marketing expenses	2.30	0.23	0.00	0.00
<b>Total</b>	<b>3,001.31</b>	<b>100.00</b>	<b>2,369.23</b>	<b>100.00</b>

Cost of Services rendered comprised of payment to influencers, campaign expenses including ad production costs, equipment hire, charges towards social media management and other incidental direct costs. The increase in cost of services during FY2023 over FY 2022 is mainly on account of increase in revenue from operations.

Apart from payment to influencers, there was Campaign expenses of ₹ 6.49 Lakhs and professional charges towards social media management of ₹ Nil Lakhs for FY 2022 and Campaign expenses of ₹ 59.83 Lakhs and professional charges towards social media management of ₹ 2.30 Lakhs for FY 2023.

From the above table, it can be understood that the overall cost of services has remained at similar levels as a % of total revenue during FY 2022 to 74.08% as compared to 74.64% during FY 2023 showing a slight increase of 0.56%.

### Employee Benefit Expenses

Employee Benefit Expenses increased to ₹ 510.44 lakhs for the financial year ended March 31, 2023 from ₹ 358.21 lakhs for FY 2022 showing an increase of 42.50%. This increase was mainly due to increase in Salaries and stipend to employees to ₹ 367.56 lakhs for the FY 2023 from ₹ 289.12 lakhs for FY 2022 due to acquihire of Blazonion (Chtrsocial) in July 2022 and increase in Directors Remuneration and remuneration to relative of directors to ₹ 130.34 lakhs for the FY 2023 from ₹ 58.00 lakhs for the FY 2022. Further, the total number of employees worked during the year increased to 118 for FY 2023 compared to 100 in FY2022. Employee Benefit Expenses stood at 11.20% and 12.70% of Total income for FY 2022 and FY 2023, respectively.

### Other Expenses

Other Expenses remained to ₹ 386.22 lakhs for FY 2022 and to ₹ 370.92 lakhs for FY 2023 showing no much difference in absolute terms, however, Other Expenses was 12.08% of Total income during FY 2022 and 9.23% during FY 2023, this reduction was mainly due to reduction in management fees charged by parent Company due to reduction of services availed from QYOU Media Inc, increase in legal and professional charges and bad debts.

### EBIDTA

EBIDTA increased to ₹ 138.31 lakhs for FY 2023 from ₹ 84.72 lakhs for FY 2022 mainly due to reduction in increase in revenue, reduction in management fees, increase in legal and professional charges and bad debts and increase in employee benefit expenses as discussed above. During FY 2022, our Company recorded EBIDTA margin of 2.65% of the Total income as against 3.44% during FY 2023.

### Depreciation

Depreciation on fixed assets was 0.03% of Total income during FY 2022 as compared to 0.02% during FY 2023. The total depreciation during FY 2022 was ₹ 0.98 lakhs and during FY 2023 it was ₹ 0.83 lakhs.

### Interest and Financial Charges

Interest and Financial Charges were Nil during both the period as there was no debts and accordingly there was no such charges.

### Profit after Tax and restatement adjustment (PAT)

PAT increased to ₹ 127.84 lakhs for the FY 2023 from ₹ 66.44 lakhs in FY 2022. This increase was mainly on account of reduction in management fees, increase in legal and professional charges and bad debts and increase in employee benefit expenses as discussed above.

### Cash Flows

The following table sets forth certain information concerning our cash flows for the periods indicated:

(₹ in lakhs)				
PARTICULARS	31.12.24	31.03.24	31.03.23	31.03.22
Net cash generated from operation	-131.63	430.78	-203.48	191.44
Net cash (used) in investing activities	237.04	-537.37	-194.00	23.58
Net cash generated/(used) in financing activities	0.00	0.00	0.00	0.00
Net Increase / (Decrease) in cash and bank balances	105.41	-106.59	-397.48	215.02
Cash and bank balances at the beginning of the year	152.94	259.53	657.01	441.99
Cash and bank balances at the end of the year	258.35	152.94	259.53	657.01

### FACTORS THAT MAY AFFECT THE RESULTS OF THE OPERATIONS:

#### 1. Unusual or infrequent events or transactions

Except as described in this Draft Red Herring Prospectus, during the period/ years under review there have been no transactions or events, which in our best judgment, would be considered “unusual” or “infrequent”.

## **2. Significant economic changes that materially affected or are likely to affect income from continuing operations.**

Our business has been subject, and we expect it to continue to be subject, to significant economic changes arising from the trends identified above in ‘*Factors Affecting our Results of Operations*’ and the uncertainties described in the section entitled ‘*Risk Factors*’ beginning on page 23 of the Draft Red Herring Prospectus. To our knowledge, except as we have described in the Draft Red Herring Prospectus, there are no known factors which we expect to bring about significant economic changes.

## **3. Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue, or income from continuing operations.**

Apart from the risks as disclosed under Section titled “*Risk Factors*” on page 23 in the Draft Red Herring Prospectus, in our opinion there are no other known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations.

## **4. Future changes in relationship between costs and revenues, in case of events such as future increase in labour or material costs or prices that will cause a material change are known.**

Other than as described in the section titled “*Risk Factors*” beginning on page 23 of this Draft Red Herring Prospectus, 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.

## **5. Extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices.**

Changes in revenues during the last three fiscal years are explained in “Management’s Discussion and Analysis of Financial Condition & Results of Operations” under the subsection “Comparison of Financial Years ended March 31, 2024, 2023 and 2022” under the respective paragraphs titled “Operating Revenue”.

## **6. Total turnover of each major industry segment in which the issuer company operated.**

Our Company is a influencer marketing platform and agency in India, connecting brands/ products and social media influencers. Relevant industry data, as available, has been included in the chapter titled “*Industry Overview*” on page 98 of this Draft Red Herring Prospectus. For more details, please refer chapter titled “*Our Business*” beginning on page 111 of this Draft Red Herring Prospectus.

## **7. Status of any publicly announced new products or business segment.**

Please refer to the chapter titled “*Our Business*” beginning on page 111 of this Draft Red Herring Prospectus for new products or business segments.

## **8. The extent to which business is seasonal.**

Our business is seasonal in nature. For details, please refer to “*Risk Factor no. 8-Our results of operations and our key business measures are subject to quarterly variations that could cause fluctuations in our results of operations*” on page 28 of the DRHP.

## **9. Any significant dependence on a single or few suppliers or customers.**

Particulars	31.12.2024	FY 2024	FY 2023	FY 2022
Customers’ contribution Top 10 (%)	35.47	59.48	53.20	52.57
Suppliers contribution Top 10 (%)	33.16	37.63	24.12	23.10

## **10. Competitive conditions.**

Competitive conditions are as described under “*Industry Overview*” and “*Our Business*” on pages 98 and 111, respectively.

**FINANCIAL INDEBTEDNESS**

Our Company's outstanding borrowings as on December 31, 2024 is NIL as disclosed under:

<b>Sr. No.</b>	<b>Nature of Borrowing</b>	<b>Amount (₹ in lakhs)</b>
1.	Secured Borrowings	Nil
2.	Unsecured Borrowings	Nil
	<b>Total</b>	<b>Nil</b>



## SECTION VII – LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

*Except as stated below there is no (i) pending criminal litigation involving our Company, Directors, Promoters or Group Companies; (ii) actions taken by statutory or regulatory authorities involving our Company, Directors, Promoters or Group Companies; (iii) outstanding claims involving our Company, Directors, Promoters or Group Companies for any direct and indirect tax liabilities; (iv) outstanding proceedings initiated against our Company for economic offences; (v) defaults or non-payment of statutory dues by our Company; (vi) material fraud against our Company in the last five years immediately preceding the year of this Draft Red Herring Prospectus; (vii) inquiry, inspection or investigation initiated or conducted under the Companies Act 2013 or any previous companies law against our Company during the last five years immediately preceding the year of this Draft Red Herring Prospectus and if there were prosecutions filed (whether pending or not); (viii) fines imposed or compounding of offences for our Company in the last five years immediately preceding the year of this Draft Red Herring Prospectus; (ix) litigation or legal action against our Promoters by any ministry or Government department or statutory authority during the last five years immediately preceding the year of this Draft Red Herring Prospectus; (x) pending litigations involving our Company, Directors, Promoters, Group Companies or any other person, as determined to be material by the Company's Board of Directors in accordance with the SEBI (ICDR) Regulations; or (xi) outstanding dues to creditors of our Company as determined to be material by our Company's Board of Directors in accordance with the SEBI (ICDR) Regulations and dues to small scale undertakings and other creditors.*

*Our Company, our Promoters and/or our Directors, have not been declared as wilful defaulters by the RBI or any governmental authority, have not been debarred from dealing in securities and/or accessing capital markets by the SEBI and no disciplinary action has been taken by the SEBI or any stock exchanges against our Company, our Promoters or our Directors, that may have a material adverse effect on our business or financial position, nor, so far as we are aware, are there any such proceedings pending or threatened.*

***For the purpose of disclosure in offer documents for the Issue, the Board at its meeting held on December 12, 2024 has considered and adopted the following policy on materiality with regard to outstanding litigations to be disclosed by our Company:***

*a. All criminal proceedings, statutory or regulatory actions and taxation matters, involving our Company, Promoters, Directors, or Group Companies, as the case may be shall be deemed to be material;*

*b. Matters pertaining to Section 138 of Negotiable Instruments Act filed by the Company to be disclosed in summary form.*

*c. All pending litigation involving our Company, Promoters, Directors, or Group Companies as the case may be, other than criminal proceedings, statutory or regulatory actions and taxation matters, would be considered 'material' (a) the monetary amount of claim by or against the entity or person in any such pending matter(s) is in excess of 5% of the net profits after tax of the Company for the most recent audited fiscal period whichever is lower (As per the Audited Financial Statements for the Financial Year 2024, the net profits after tax of our company is Rs. 907.32 Lakhs and accordingly 5% of the same is Rs. 45.37 Lakhs, accordingly any pending/outstanding litigation involving an amount exceeding Rs. 45.37 Lakhs has been considered material for the purposes of disclosures in this section) ; or (b) where the monetary liability is not quantifiable, each such case involving our Company, Promoters, Directors, or Group Companies, whose outcome would have a bearing on the business operations, prospects or reputation of our Company;*

*d. Notices received by our Company, Promoters, Directors, or Group Companies, as the case may be, from third parties (excluding statutory / regulatory authorities or notices threatening criminal action) shall, in any event, not be evaluated for materiality until such time that the Company / Directors / Promoters / Group Companies, as the case may be, are impleaded as parties in proceedings before any judicial forum.*

*Unless otherwise stated, all proceedings are pending as of the date of this Draft Red Herring Prospectus. All information provided below is as of the date of this Draft Red Herring Prospectus.*

*None of our Promoters or Directors are Fugitive Economic Offenders under Section 12 of the Fugitive Economic Offenders Act, 2018.*

**LITIGATION INVOLVING OUR COMPANY: Nil****LITIGATION INVOLVING THE DIRECTORS:****A. XERXES ASPI MULLAN- One of the director of fellow subsidiary Maxamtech Digital Ventures Private Limited ('MDVPL') vs Curt Marvis, Kevin Richard Williams, Sunder Aaron and Sundeep Thusu- other four of the director of fellow subsidiary Maxamtech Digital Ventures Private Limited ('MDVPL')**

Our Promoter, QYOU Media Inc acquired 51.01% equity shareholding in Maxamtech Digital Ventures Private Limited in January 2023. The Board of MDVPL comprises of Curt Marvis (Non-executive Director), Kevin Richard Williams (Non-executive Director), Sunder Aaron (Non-executive Director), Sundeep Thusu (Founder & Executive Director, having 7.20% equity shareholding) and Xerxes Mullan (Founder & Executive Director, having 41.79% equity shareholding).

Due to an ongoing differences between the Directors of MDVPL regarding financial distress, governance matters and business disputes, the AGM of MDVPL for FY2023-24 has been delayed and is yet to be held.

Further, on February 19, 2025 - Xerxes Mullan vide Advocate Shivanand A. Mishra has issued a Legal Notice for Oppression, Mismanagement, and Breach of Fiduciary Duty under Sections 241 & 242 of the Companies Act, 2013 - Maxamtech Digital Ventures Pvt. Ltd. to rest of the Board of Directors of MDVPL namely Curt Marvis (Noticee 1), Kevin Williams (Noticee 2), Sunder Aaron (Noticee 3) and Sundeep Thusu (Noticee 4) (collectively referred to as Noticees).

Xerxes Mullan under the notice has alleged the following:

1. Breach of Shareholder's Agreement and Funding Obligations
2. Continuous interference in business operations by the officials of QYOU Media Inc
3. Unlawful layoffs & damage to goodwill
4. Financial Manipulation & Breach of Corporate governance
5. Attempted forced Exit and Unfair Treatment
6. Negligence leading to data deletion and operational disruption
7. Interference in employee retention and employment terms

The Directors (Noticees) are consulting with their legal advisors to address this matter.

**LITIGATION INVOLVING OUR PROMOTERS: Nil****LITIGATION INVOLVING OUR GROUP ENTITIES:****B. Against Maxamtech Digital Ventures Private Limited****M/s Maxamtech Digital Ventures Private Limited vs. MSEFC (on behalf of Operissoft Technologies Private Limited)**

Under the provisions of Section 18(1) of the Micro, Small, and Medium Enterprises Development Act, 2006, M/s Maxamtech Digital Ventures Private Limited is addressing notices received in relation to delayed payment claims. Details of the applications filed are as follows:

Sr. No	Application No	Council Name	Petitioner Name	Application Date	Amount
1	UDYAM-MH-33-0214608/M/00002	MSEFC-Pune	Ravikant Tiwari	12/10/2024	17,06,558
2	UDYAM-MH-33-0214608/M/00003	MSEFC-Pune	Ravikant Tiwari	12/10/2024	17,76,625
3	UDYAM-MH-33-0214608/M/00004	MSEFC-Konkan Thane	Ravikant Tiwari	12/10/2024	17,27,443
4	UDYAM-MH-33-0214608/M/00001	MSEFC-Konkan Thane	Ravikant Tiwari	19/09/2024	1,96,895

The company is actively in the process of responding to the notices and addressing the demands raised in connection with these applications.

**C. Against QYOU Media India Private Limited by following parties:****1. Hathway Digital Limited vs. QYOU Media India Private Limited (Authorised Agent) and Mass Telecasting Private Limited (Broadcaster)****Ref. - TDSAT – Broadcasting Petition/134/2024, Diary No/Year 392/2024**

QYOU Media India Private Limited has received a demand notice from Hathway Digital Limited for the non-payment of an amount of ₹56,82,392/-. The matter was listed as Item No. 37 before Bench 1 of the Telecom Disputes Settlement and Appellate Tribunal (TDSAT) on December 02, 2024. During the hearing, counsel for the company requested additional time to file a reply and apprised the Tribunal that both parties are actively engaged in efforts to amicably resolve the dispute. This intention was duly recorded in the Tribunal's order. TDSAT has granted an extension to file a reply until the next scheduled hearing. The case has been adjourned to March 10, 2025. We have paid 14,32,166 against this demand & current outstanding is 42,50,226/-.

**2. Den Networks Limited vs. QYOU Media India Private Limited (Authorised Agent) and its directors viz. Krishna Rajgopal, Curt Marvis, Andrew Kaplan Jay and others viz. Mass Telecasting Private Limited (Broadcaster) and its directors Sidhant Taneja and Sakshi Kumar****Ref. - TDSAT – Broadcasting Petition/137/2024 , Diary No/Year 392/2024**

A demand notice for the non-payment of ₹45,24,062 has been received from Den Networks Limited. The matter was listed as Item No. 12 before Bench 1 of TDSAT on December 6, 2024. During the proceedings, the company's legal counsel requested additional time to file a reply and informed the Tribunal that discussions toward an amicable resolution are ongoing, QMIPL has already started making the part payments towards the claimed amount. TDSAT has extended the deadline for filing a reply until the next hearing date. A Vakalatnama was also filed during this session. The case has been adjourned to March 10, 2025. We have paid Rs. 16,35,779/- against this demand & current outstanding is Rs. 28,88,483/-

**3. Culver Max Entertainment Pvt. Ltd. has issued legal notice to QYOU Media India Private Limited**

Culver Max Entertainment Pvt. Ltd. (Culver Max) issued a notice dated August 30, 2024, demanding the payment of ₹43,10,000 with interest at the rate of 18% p.a. from the due date till the date of payment. The company entered into a payment plan with Culver Max vide their email dated September 26, 2024. Culver Max in their email stated that any missed payment deadlines would result in an obligation to pay the outstanding amount immediately, along with an interest rate of 18% p.a. from the original due date.

The agreed-upon payment schedule is as follows:

Due Dates	Amount (₹)	Remarks
October 31, 2024	10,00,000	Payment processed
January 31, 2025	15,00,000	₹10 lakh processed in November; ₹5 lakh paid on 31 January 2025
March 31, 2025	18,10,000	Gross Amount (Including TDS)
<b>Total</b>	<b>43,10,000</b>	

**4. Sociopool India Private Limited has issued legal notice to QYOU Media India Private Limited and its Directors viz. Krishna Rajgopal, Curt Marvis, Andrew Kaplan Jay and Rajnandan Mishra**

Sociopool India Private Limited issued a legal notice dated November 29, 2024 and December 18, 2024 via reference nos. LN/2024/RN/001-11-CLN & LN/2024/RN/002-11-CLN respectively, demanding the payment of ₹ 18,55,684.20 towards principal amount for outstanding invoices for content creation and distribution service and delayed interest charges of 18% p.a. calculated till 29<sup>th</sup> November, 2024 and Rs. 5,500 towards charges for legal notice. The Company is in consultation with its litigation lawyer to address the matter.

**5. Yupp TV issued Notice for Payment of Rs. 44,62,981 to QYOU Media India Private Limited on 20<sup>th</sup> November 2024**

The company has received a demand notice from Yupp TV for the payment of ₹44,62,981 (Rupees Forty-Four Lakhs Sixty-Two Thousand Nine Hundred and Eighty-One) along with interest till the date of payment. The matter is currently under review, and the company is evaluating its response. We have paid ₹30,00,000/- against this demand.

**6. Varsha Ritu Constructions Private Limited has issued legal notice to QYOU Media India Private Limited and its Directors viz. Krishna Menon (s/o. Rajgopal Menon), Curt Marvis, Andrew Kaplan Jay and Rajnandan Mishra**

Unison Legal, on behalf of Varsha Ritu Constructions Private Limited, has issued a notice demanding payment of ₹23,29,934 with interest at the rate of 18% p.a. from 1<sup>st</sup> November, 2024 till the date of payment. This amount represents the full and final settlement for rent owed for the company's office premises located in the Vedanta building, Mumbai. The company is presently consulting with its legal advisors to address the matter.

**7. Sh Pankaj Sharma has issued legal notice to QYOU Media India Private Limited for non-payment of outstanding dues of Rs. 1,02,05,030 and breach of agreement**

Pragmatic The Corporate Litigation Firm, on behalf of Sh Pankaj Sharma, has issued a notice dated 13.02.2025 demanding payment of 1,02,05,030 and interest from date of accrual till date of realization, towards content for the purpose of broadcasting on television and digital platforms and also payment of Rs. 12,000 towards the notice fee. QYOU Media India Private Limited is presently consulting with its legal advisors to address the matter.

**8. Sanjhalika Productions has issued legal notice to QYOU Media India Private Limited for non payment of outstanding dues Rs. 15,95,770/- and breach of agreement.**

Pragmatic The Corporate Litigation Firm, on behalf of Sanjhalika Productions, has issued a notice dated 13.02.2025 demanding payment of 15,95,770 and interest from date of accrual till date of realization, towards content for the purpose of broadcasting on television and digital platforms and also payment of Rs. 12,000 towards the notice fee. QYOU Media India Private Limited is presently consulting with its legal advisors to address the matter.

**TAX PROCEEDINGS:**

A summary of tax proceedings involving our Company, our Promoters, our Directors, or our Group Companies are stated below:

Nature of case	Number of cases	Amount involved (in ₹lakhs)
<b>Company</b>		
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil
<b>Our Promoters / Promoter Directors</b>		
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil
<b>Our Directors other than Promoters</b>		
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil
<b>Our Group Companies / Promoter group** &amp; ***</b>		
Direct Tax	6	52.20
Indirect Tax	Nil	Nil

**\*\* AGAINST QYOU Media India Private Limited**

**1. QYOU Media India Private Limited v. Income Tax Department (AY 2022-23 - PAN: AAACQ5599H)**

QYOU Media India Private Limited has received a demand notice from the Income Tax Department for the Assessment Year (AY) 2022-23. The total demand amount is ₹13,65,930. The company has made a partial payment of 25% of the total demand, amounting to ₹3,41,482. The company is actively responding to the Income Tax Department regarding the demand and is in the process of addressing the matter. Demand amount is adjusted from Refund of AY 24-25.

**2. QYOU Media India Private Limited v. Income Tax Department (First Appeal Proceedings - AY 2022-23)**

A first appeal proceeding has been initiated against the Income Tax Department for AY 2022-23, with notice reference number ITBA/NFAC/S/62/2024-25/1064522590(1). The company has filed its response to the first appeal and is currently awaiting further communication from the Income Tax Department in relation to this matter.

**3. QYOU Media India Private Limited v. Income Tax Department (Assessment Proceeding - AY 2022-23)**

An assessment proceeding has been initiated under Section 143(3) of the Income Tax Act for AY 2022-23, with the notice reference number ITBA/AST/F/142(1)/2024-25/1066807873(1). The company has submitted the necessary details and

documentation as requested by the Income Tax Department. The company is awaiting further communication or updates from the department regarding this proceeding.

#### **4. QYou Media India Private Limited v. Traces (TDS)**

QYou Media India Private Limited has received the following demands from Traces (TDS) for various financial years:

- **FY 2022-23 - Form 26Q (Q1)**

A demand of ₹20,350 has been raised for short payment, along with ₹914 as interest on the short payment, totaling ₹21,264.

- **FY 2021-22 - Form 27Q (Q2)**

A demand of ₹33,334 has been raised for short deduction, along with ₹999 as interest on the short deduction, totaling ₹34,333.

#### **Total Demand from Traces (TDS):**

The total demand raised across the aforementioned financial years amounts to ₹55,597. The company is in the process of reviewing and addressing these demands.

#### **\*\*\*Against QYOU USA Inc.**

#### **QYOU USA Inc. vs. Internal Revenue Service, U.S. Department of the Treasury**

QYOU USA Inc. has received a civil penalty notice from the Internal Revenue Service (IRS) for the period ending December 31, 2018. The penalty amounts to USD 50,000, with an additional USD 9,724.84 as interest payable on the penalty. The amount in INR is Rs. 51,63,491/- converted USD 59,721.84 at the rate of INR 86.459 for 1 USD as per rate of January 22, 2025. The company is actively engaging with the IRS to address and resolve the matter.

*The table above does not include those penalties, interests and costs, if any, which may be imposed or which may have been pleaded but not quantified in the course of legal proceedings, or which the Court / Tribunal otherwise has the discretion to impose. The imposition and amount of such penalties / interests / costs are at the discretion of the court / tribunal where the case is pending.*

#### **LEGAL NOTICES RECEIVED BY OUR COMPANY, OUR PROMOTERS AND OUR DIRECTORS: NIL**

#### **MATERIAL FRAUDS AGAINST OUR COMPANY**

There have been no material frauds committed against our Company in the five years preceding the year of this Draft Red Herring Prospectus.

#### **PROCEEDINGS INITIATED AGAINST OUR COMPANY FOR ECONOMIC OFFENCES**

There are no proceedings initiated against our Company for any economic offences.

#### **NON-PAYMENT OF STATUTORY DUES**

As on the date of the Draft Red Herring Prospectus there have been no (i) instances of non-payment or defaults in payment of statutory dues by our Company, (ii) over dues to companies or financial institutions by our Company, (iii) defaults against companies or financial institutions by our Company, or (iv) contingent liabilities not applicable to our company.

#### **PAST CASES WHERE PENALTIES WERE IMPOSED**

There are no past cases where penalties were imposed on our Company by concerned authorities/courts.

#### **OUTSTANDING LITIGATION AGAINST OTHER PERSONS AND COMPANIES WHOSE OUTCOME COULD HAVE AN ADVERSE EFFECT ON OUR COMPANY**

As on the date of the Draft Red Herring Prospectus, there is no outstanding litigation against other persons and companies whose outcome could have a material adverse effect on our Company.

#### **PAST INQUIRIES, INSPECTIONS, OR INVESTIGATIONS**

There have been no inquiries, inspections or investigations initiated or conducted under the Companies Act 2013 or any previous company law in the last five years immediately preceding the year of the Draft Red Herring Prospectus in the

case of Company, Promoters, Directors. Other than as described above, there have been no prosecutions filed (whether pending or not) fines imposed, compounding of offences in the last five years immediately preceding the year of the Draft Red Herring Prospectus.

Further, there is no legal action pending or taken by any Ministry or Department of the Government or a statutory authority against the promoters during the last five years immediately preceding the year of the issue of the Draft Red Herring Prospectus and any direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action.

## OUTSTANDING DUES TO CREDITORS

As per the Materiality Policy, our Board has approved that each creditor, to whom our Company individually owes a net aggregate amount that exceeds 10.00% of the total trade payables or Rs. 50 Lacs whichever is lower as per the Restated Financial Statements for the most recent financial year, shall be considered as a material creditor of our Company. Our Board has also approved that dues owed by our Company to small scale undertakings as per the Restated Financial Statements for the most recent financial year shall be disclosed in a consolidated manner.

As of December 31, 2024, our Company, in its ordinary course of business, has Rs. 1,108.76 Lakhs of trade payables, accordingly any outstanding above Rs. 110.87 Lakhs or outstanding of 50 Lacs whichever is lower is considered as material creditors.

As per the above policy, consolidated information of outstanding dues, as at December 31, 2024, owed to small scale undertakings, material dues to trade creditors separately, giving details of number of cases and aggregate amount for such dues is as under:

(₹ in lakhs)		
Particulars	Number of cases	Amount Outstanding
Dues to small scale undertakings	3	25.85
Material dues to creditors	3	183.16
Other dues to creditors	337	899.75

Further, our Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure, if any, in relation to amount unpaid as at the year-end together with interest payable as required under the said Act have not been furnished. Our Company does not owe any small-scale industries or any MSMEs any amounts exceeding ₹1 lakh which is outstanding for more than 30 days. There are no disputes with such entities in relation to payments to be made to them.

The details pertaining to net outstanding dues towards our creditors are available on the website of our Company at [www.chtrbox.com](http://www.chtrbox.com). It is clarified that such details available on our website do not form a part of this Draft Red Herring Prospectus. Anyone placing reliance on any other source of information, including our Company's website, [www.chtrbox.com](http://www.chtrbox.com), would be doing so at their own risk.

## Material Developments

Except as stated in “*Management’s Discussion and Analysis of Financial Condition and Results of Operation*” on page 190, there have not arisen, since the date of the last financial statements disclosed in the Draft Red Herring 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 months.

## GOVERNMENT AND OTHER APPROVALS

We have set out below a list of material approvals, consents, licences, and permissions from the governmental and regulatory authorities obtained by our Company which are considered material and necessary for the purpose of undertaking our business activities and operations. In view of the approvals listed herein, our Company can undertake the Offer and its current business activities. Unless otherwise stated, our Company has obtained all material approvals and the same are valid as of the date of this Draft Red Herring Prospectus. The material approvals, consents, licenses, registrations, and permits obtained by our Company which enable it to undertake its current business activities are set forth below. Further, as on the date of this Draft Red Herring Prospectus, our Company does not have any material subsidiaries.

The main objects clause of the Memorandum of Association and objects incidental to the main objects enable our Company to undertake its existing business activities. For further details in connection with the regulatory and legal framework within which we operate, please refer “**Key Industrial Regulations and Policies in India**” on page 126.

### A. Corporate / General Authorizations

Sr. No.	Authorisation granted	Issuing Authority	Registration No./CIN	Date of Issue	Valid up to
1.	Certificate of incorporation in the name of “Chatterbox Technologies Private Limited”	Registrar of Companies, Mumbai	U93000MH2016PTC273833	March 03, 2016	Valid until cancelled
2.	Fresh Certificate of Incorporation Consequent upon Change of Name on Conversion to Public Limited Company in the name of “Chatterbox Technologies Limited”	Registrar of Companies, Mumbai	U93000MH2016PLC273833	December 04, 2024	Valid until cancelled

### B. Issue Related Authorizations

- Our Board of Directors has, pursuant to a resolution passed at its meeting held on January 21, 2025, authorised the Issue subject to the approval by the shareholders of our Company under Section 62(1)(c) of the Companies Act, 2013 and approvals by such other authorities as may be necessary.
- The shareholders of our Company have authorised the Issue, pursuant to a special resolution under Section 62(1)(c) of the Companies Act, 2013, passed at their EGM held on February 05, 2025.
- Our Company has obtained in-principle approval letter no. [●] dated [●], from the BSE.
- Our Company's International Securities Identification Number (“ISIN”) is INE1B4801017.

### C. Tax Related and Other Business Approvals:

Sr. No.	Authorisation Granted	Issuing Authority	Registration No. / Reference No. / License No.	Applicable Act/ Regulation	Valid up to
1.	Permanent Account Number (PAN)	Income Tax Department, GoI	AAGCC3917P	Income Tax Act, 1961	Valid until cancelled
2.	Tax Deduction Account Number (TAN)	Income Tax Department, GoI	MUMC21994A	Income Tax Act, 1961	Valid until cancelled
3.	GSTIN Certificate of Registration	Government of India And Government of Maharashtra	27AAGCC3917P1Z7	GST Act	Valid until cancelled
4.	Certificate of Registration (Employee)	Department of Goods and Services Tax, Maharashtra	99872394230P	Maharashtra State Tax on Professions, Trades, callings and Employment Act, 1975	Valid until cancelled

Sr. No.	Authorisation Granted	Issuing Authority	Registration No. / Reference No. / License No.	Applicable Act/ Regulation	Valid up to
5.	Certificate of Registration (Employer)	Department of Goods and Services Tax, Maharashtra	27675314646P	Maharashtra State Tax on Professions, Trades, callings and Employment Act, 1975	Valid until cancelled
6.	Employee's State Insurance Corporation – Establishment Registration	Government of India and Government of Maharashtra	35000646300001099	ESI Act, 1948	Valid until cancelled
7.	Employee's Provident Fund Organisation Registration	Government of India and Government of Maharashtra	KDMAL2014245000	Ministry of Labour & Employment, Government of India	Valid until cancelled
8.	Udyam Registration Certificate	Government of India	UDYAM MH - 19 - 0060891	Ministry of Micro, Small and Medium Enterprises	Valid until cancelled
9.	Import – Export Code	Directorate General of Foreign Trade, Mumbai	AAGCC3917P	Ministry of Commerce and Industry	Valid until cancelled
10.	Shops & Establishment Registration – <b>Registered office</b>	Chief Officer - Shops & Establishment	820362701 / KW Ward/COMMERCIAL II	Maharashtra Shops and Establishments (Regulation of Employment and Conditions of Service) Rules, 2018	Valid until cancelled

#### D. Intellectual Property Registration

As on the date of this Draft Red Herring Prospectus, our Company has registered following domain names and Social media handles:

##### List of Domain names:

Sl. No.	Domain Name	Date of Regn	Date of Expiration	Name of server	Status
1.	Chtrbox.com	15.07.2015	15.07.2025	ns1cvw.name.com ns2nsw.name.com ns4sxy.name.com	Active
2.	Chtrbox.in	22.11.2024	22.11.2027	ns31.domaincontrol.com ns32.domaincontrol.com	Active
3.	Chtrsocal.com*	29.06.2022	29.06.2025	ns8.wixdns.net ns9.wixdns.net	Active

\*Blazonion owns this domain and Blazonion is acquired by Chatterbox vide Agreement dated August 16, 2022.

##### List of Social media handles:






Name	Handle	URL
Chtrbox	Instagram	<a href="https://www.instagram.com/chtrbox?igsh=OXlpN2pgOGx4eWxl">https://www.instagram.com/chtrbox?igsh=OXlpN2pgOGx4eWxl</a>
ChtrSocial	Instagram	<a href="https://www.instagram.com/chtr.social?igsh=MW81Yjh3M3JxbGU4OA==">https://www.instagram.com/chtr.social?igsh=MW81Yjh3M3JxbGU4OA==</a>
Chtrbox Represent	Instagram	<a href="https://www.instagram.com/chtrbox.represent?igsh=cnhlYXRia2U1Yzdm">https://www.instagram.com/chtrbox.represent?igsh=cnhlYXRia2U1Yzdm</a>
Chtrbox	LinkedIn	<a href="https://www.linkedin.com/company/chtrbox/">https://www.linkedin.com/company/chtrbox/</a>






<u>Name</u>	<u>Handle</u>	<u>URL</u>
<u>ChtrSocial</u>	<u>LinkedIn</u>	<a href="https://www.linkedin.com/showcase/chtr-social/">https://www.linkedin.com/showcase/chtr-social/</a>
<u>Chtrbox</u>	<u>Facebook</u>	<a href="https://www.facebook.com/share/HfcKaw8eUiNUUvQD/?mibextid=wwXifr">https://www.facebook.com/share/HfcKaw8eUiNUUvQD/?mibextid=wwXifr</a>

**E. Approvals applied for but not yet received / Renewals made in the usual course of business:**

Our Company has made application for registration of following trademarks under various class:

Sl. No.	Trade Mark	Application No.	Date of filing	User Claim	Authority	Classes	Ownership	Status
1		6765226	19.12.2024	15.07.2015	Registrar of Trademark	9	Chatterbox Technologies Limited	Formalities Check Pass i. The application will be examined in due course.
2		6765227	19.12.2024	15.07.2015	Registrar of Trademark	35	Chatterbox Technologies Limited	Formalities Check Pass i. The application will be examined in due course.
3		6765228	19.12.2024	15.07.2015	Registrar of Trademark	41	Chatterbox Technologies Limited	Formalities Check Pass i. The application will be examined in due course.
4		6765229	19.12.2024	15.07.2015	Registrar of Trademark	9	Chatterbox Technologies Limited	Formalities Check Pass i. The application will be examined in due course.
5		6765230	19.12.2024	15.07.2015	Registrar of Trademark	35	Chatterbox Technologies Limited	Formalities Check Pass i. The application will be examined in due course.

Sl. No.	Trade Mark	Application No.	Date of filing	User Claim	Authority	Classes	Ownership	Status
6		6765231	19.12.2024	15.07.2015	Registrar of Trademark	41	Chatterbox Technologies Limited	Formalities Check Pass i. The application will be examined in due course.
7	CHTRBOX	6765232	19.12.2024	15.07.2015	Registrar of Trademark	9	Chatterbox Technologies Limited	Formalities Check Pass i. The application will be examined in due course.
8	CHTRBOX	6765233	19.12.2024	15.07.2015	Registrar of Trademark	35	Chatterbox Technologies Limited	Formalities Check Pass i. The application will be examined in due course.
9	CHTRBOX	6765234	19.12.2024	15.07.2015	Registrar of Trademark	41	Chatterbox Technologies Limited	Formalities Check Pass i. The application will be examined in due course.
10		6765235	19.12.2024	17.08.2022	Registrar of Trademark	35	Chatterbox Technologies Limited	Formalities Check Pass i. The application will be examined in due course.
11		6765498	19.12.2024	17.08.2022	Registrar of Trademark	41	Chatterbox Technologies Limited	Formalities Check Pass i. The application will be examined in due course.

Sl. No.	Trade Mark	Application No.	Date of filing	User Claim	Authority	Classes	Ownership	Status
12	<b>CHTR SOCIAL</b>	6765499	19.12.2024	17.08.2022	Registrar of Trademark	42	Chatterbox Technologies Limited	Formalities Check Pass i. The application will be examined in due course.
13	<b>CHTR SOCIAL</b>	6765500	19.12.2024	17.08.2022	Registrar of Trademark	35	Chatterbox Technologies Limited	Formalities Check Pass i. The application will be examined in due course.
14	<b>CHTR SOCIAL</b>	6765501	19.12.2024	17.08.2022	Registrar of Trademark	41	Chatterbox Technologies Limited	Formalities Check Pass i. The application will be examined in due course.
15	<b>CHTR SOCIAL</b>	6765502	19.12.2024	17.08.2022	Registrar of Trademark	42	Chatterbox Technologies Limited	Formalities Check Pass i. The application will be examined in due course.
16	Chtrsocal	6765503	19.12.2024	17.08.2022	Registrar of Trademark	35	Chatterbox Technologies Limited	Formalities Check Pass i. The application will be examined in due course.
17	Chtrsocal	6765504	19.12.2024	17.08.2022	Registrar of Trademark	41	Chatterbox Technologies Limited	Formalities Check Pass i. The application will be examined in due course.

Sl. No.	Trade Mark	Application No.	Date of filing	User Claim	Authority	Classes	Ownership	Status
18	Chtrsocial	6765505	19.12.2024	17.08.2022	Registrar of Trademark	42	Chatterbox Technologies Limited	Formalities Check Pass i. The application will be examined in due course.

F. **Material licenses / approvals for which our Company is yet to apply for / Statutory Approvals / Licenses required: *NIL***

## OTHER REGULATORY AND STATUTORY DISCLOSURES

### Authority for the offer

#### Corporate Approvals

- Our Board has, pursuant to its resolution dated January 21, 2025, authorized the Offer, subject to the approval of the Equity Shareholders of our Company under Section 62(1)(c) of the Companies Act 2013.
- Our Equity Shareholders have, pursuant to a resolution dated February 05, 2025, under Section 62(1)(c) of the Companies Act, authorized the Offer.

We have received in-principle approval from BSE *vide* their letter no. [●] dated [●] to use the name of BSE in this Offer Document for listing of our Equity Shares on SME Platform of BSE. BSE is the Designated Stock Exchange.

### Prohibition by SEBI, the RBI, or other Governmental Authorities

Our Company, our Promoters, our directors, the members of the Promoter Group and the persons in control of our Company have not been prohibited from accessing the capital markets and have not been debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any other regulatory or governmental authority or court, including any securities market regulator in any jurisdiction.

### Prohibition by RBI

Neither our Company, our Promoters, our Directors, relatives (as per Companies Act, 2013) of Promoter or the person(s) in control of our Company have been identified as a wilful defaulter or a fugitive economic offender and there has been no violation of any securities law committed by any of them in the past and no such proceedings are pending against any of them.

Neither our Company, our Promoters, our Directors, relatives (as per Companies Act, 2013) of Promoters or the person(s) in control of our Company have been categorized as a wilful defaulter or a fraudulent borrower by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters or fraudulent borrowers issued by the Reserve Bank of India;

None of our Promoters or Directors are Fugitive Economic Offenders under Section 12 of the Fugitive Economic Offenders Act, 2018.

### Compliance with the Companies (Significant Beneficial Owners) Rules, 2018

Our Company, Promoters, members of the Promoter Group, are in compliance with the Companies (Significant Beneficial Owners) Rules, 2018, as amended (“SBO Rules”), to the extent applicable to each of them as on the date of this DRHP.

### Directors associated with the Securities Market

None of our Directors are, in any manner, associated with the securities market and there has been no action initiated by SEBI against the Directors of our Company in the five years preceding the date of this DRHP.

### Eligibility for this Offer

Our Company has complied with the conditions of Regulation 230 of SEBI (ICDR) Regulations, 2018 for this Offer.

Our Company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations; and this Offer is an “Initial Public Offer” in terms of the SEBI (ICDR) Regulations.

Our Company is eligible for the Issue in accordance with Regulation 229(2) and other provisions of Chapter IX of the SEBI (ICDR) Regulations, 2018 as we are an Issuer whose post issue paid up capital is more Rs. 10.00 crores and less or equal to Rs. 25.00 crores and we may hence issue Equity Shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (in this case being the “*SME Platform BSE Limited*”).

We confirm that:

1. In accordance with Regulation 260 of the SEBI (ICDR) Regulations, this Offer is 100% underwritten and that the LM to the Issue shall underwrite minimum 15% of the Total Issue Size. For further details pertaining to said underwriting please refer to section titled "**General Information – Underwriting**" beginning on page 53.
2. In accordance with Regulation 268 of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed allottees in the Issue shall be greater than or equal to fifty (50), otherwise, the entire application money will be unblocked forthwith. If such money is not repaid within three Working Days from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of three Working Days, be liable to repay such application money, with an interest at the rate as prescribed under the Companies Act 2013.
3. In terms of Regulation 246(5) of the SEBI (ICDR) Regulations, our Book Running Lead Manager has submitted a soft copy of the Draft Red Herring Prospectus to SEBI at the time of filing the Draft Red Herring Prospectus with Stock Exchange. Further, in terms of Regulation 246(2), SEBI shall not issue observation on the Draft Red Herring Prospectus. In terms of Regulation 246(1) and (3) of the SEBI (ICDR) Regulations, we shall ensure that our Book Running Lead Manager submits a copy of the Offer Document along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Offer Document with Stock Exchange and the Registrar of Companies. Further, in terms of Regulation 246(2), SEBI shall not issue observation on the Offer Document.
4. In accordance with Regulation 261(1) of the SEBI (ICDR) Regulations, we hereby confirm that we shall enter into an agreement with the Book Running Lead Manager and with Market Maker to ensure compulsory Market Making for a minimum period of three (3) years from the date of listing of Equity Shares on the SME Platform of BSE. For further details of the arrangement of market making please refer to section titled "**General Information – Details of the Market Making Arrangements for this Offer**" beginning on page 53.

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, 2018 as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

**We confirm that we comply with all the below requirements / conditions so as to be eligible to be listed on the SME platform of BSE:**

**a) Incorporation**

Our Company was incorporated on March 03, 2016, with the Registrar of Companies, Mumbai under the Companies Act, 2013 in India.

**b) Post Issue Paid-up Capital**

As on the date of this Draft Red Herring Prospectus, our Company has a paid-up capital of ₹1041.66 lakhs and the Post Issue Paid-up Equity Share Capital will be ₹[●] lakhs which is less than ₹2,500 lakhs.

**c) Networth**

The Networth of the Company as per the restated financials of our Company for the period ended on December 31, 2024 and last 3 financial years is more than Rs. 1 crore:

(₹ in Lakhs)				
Particulars	31.12.2024	31.03.2024	31.03.2023	31.03.2022
Share capital - Equity	1,041.66	12.86	12.86	12.86
Share capital - Preference	0.00	0.00	0.00	0.00
Reserves and surplus	1,278.61	1,665.08	812.46	684.62
Minority Interest	0.00	0.00	0.00	0.00
Less: Preliminary Expenses to the extent written off	0.00	0.00	0.00	0.00
<b>Total Networth</b>	<b>2,320.27</b>	<b>1,677.94</b>	<b>825.32</b>	<b>697.48</b>

**d) Net Tangible Assets**

The Net Tangible Assets of the Company as per the restated financials of our Company as at March 31, 2024 (last preceding full financial year) is more than Rs. 30000 Lakhs as computed below:

Details	Amount (Rs. In Lakhs)
Total Assets	2400.65
Less: Capital WIP - Intangible asset under development and Intangible Assets	446.47
Less: Deferred Tax Assets	26.97
<b>Net Tangible Assets</b>	<b>1927.15</b>

**e) Track Record**

Our Company is incorporated on March 03, 2016 and accordingly it has a track record of at least three years.

**f) Earnings before Interest, Depreciation and Tax**

Our company has operating profits on the basis of restated financials (earnings before interest, depreciation and tax) from operations for at least 2 financial years out of preceding 3 financial years, below are the details:

(₹ Lakhs)

Particulars	31.12.2024	FY 2024	FY 2023	FY 2022
Profit Before Tax	856.53	1,190.95	137.48	83.74
Add: Interest / Financial charges				
Add: Depreciation	7.82	15.88	0.83	0.98
Less: Other Income	22.97	51.60	28.53	26.49
<b>Positive Cash Accruals (Earnings Before Depreciation and Tax)</b>	<b>841.38</b>	<b>1155.23</b>	<b>109.78</b>	<b>58.23</b>

**g) Leverage Ratio**

Our Leverage Ratio is less than 3:1 as per restated financial statement is as under:

(₹ in Lakhs)

Particulars	31.12.2024	31.03.2024	31.03.2023	31.03.2022
<b>Shareholders' Funds</b>				
Share capital – Equity	1,041.66	12.86	12.86	12.86
Share capital – Preference	0.00	0.00	0.00	0.00
Reserves and surplus	1,278.61	1,665.08	812.46	684.62
Minority Interest	0.00	0.00	0.00	0.00
Less: Preliminary Expenses to the extent written off	0.00	0.00	0.00	0.00
<b>Total Networth – A</b>	<b>2,320.27</b>	<b>1,677.94</b>	<b>825.32</b>	<b>697.48</b>
<b>Debt:</b>				
Long Term borrowings	0.00	0.00	0.00	0.00
Short Term borrowings	0.00	0.00	0.00	0.00
<b>Total Borrowings - B</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Leverage Ratio – C = B/A</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

**h) Disciplinary action**

There has been no regulatory action of suspension of trading against the promoter(s) or companies promoted by the promoters by any stock Exchange having nationwide trading terminals.

None of our Promoter(s) or directors have been promoter(s) or directors (other than independent directors) of

compulsory delisted companies by the Exchange. Accordingly, there is no applicability of compulsory delisting is attracted. Further, none of our directors are disqualified/ debarred by any of the Regulatory Authority due to the Companies suspended from trading on account of non-compliance.

**i) Default**

There are no pending defaults in respect of payment of interest and/or principal to the debenture/ bond/ fixed deposit holders by the applicant company, promoters/ promoting company(ies), Subsidiary Companies.

**j) Name change**

In case of name change within the last one year, at least 50% of the revenue calculated on a restated and consolidated basis for the preceding 1 full financial year has been earned by it from the activity indicated by its new name: **Not Applicable**

**Other requirements**

- a) We have a functional website: [www.chtrbox.com](http://www.chtrbox.com)
- b) 100% of Equity Shares held by the Promoters is in dematerialised form.
- c) Our Company has entered into an agreement with both the depositories (CDSL and NSDL) for dematerialisation of its Equity Shares already issued and proposed to be issued.
- d) There has been no change in the promoter/s of the Company in the preceding one year from date of filing application to BSE for listing on SME Platform of BSE.
- e) Our composition of the board is in compliance with the requirements of Companies Act, 2013.
- f) The Net worth computation is computed as per the definition given in SEBI (ICDR) Regulations
- g) The Company has not been referred to NCLT under IBC.
- h) There is no winding up petition against the company, which has been admitted by the court.
- i) Our Company has not been referred to erstwhile Board for Industrial and Financial Reconstruction (BIFR) and no proceedings have been admitted under Insolvency and Bankruptcy Code against the issuer and Promoting companies.
- j) 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.
- k) 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.
- l) The requirement of firm arrangements of finance through verifiable means towards seventy five per cent of the stated means of finance for funding from the Offer Proceeds, excluding the amount to be raised through the proposed public offer or through existing identifiable internal accruals is not applicable to our Company. For details, please refer the chapter “*Objects of the Issue*” on page 73.
- m) Our Company confirms that the amount for general corporate purposes, as mentioned in objects of the issue in the offer document does not exceed 15% of the Gross Proceeds or Rs. 10 crores whichever is lower.

Further, our Company confirms that it is not ineligible to make the Issue in terms of Regulation 228 of the SEBI ICDR Regulations. The details of our compliance with Regulation 228 of the SEBI ICDR Regulations are as follows:

- a. Neither our Company nor our Promoters, members of our Promoter Group or our Directors are debarred from accessing the capital markets by the SEBI.



- b. None of our Promoters 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. Neither our Company nor our Promoters or Directors is a fraudulent borrower.
- e. 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.

Further, In accordance with Regulation 268(1) of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed allottees in the Issue shall be greater than or equal to fifty (50), otherwise, the entire application money will be unblocked forthwith. If such money is not repaid within three Working Days from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of three Working Days, be liable to repay such application money, with an interest at the rate as prescribed under the Companies Act 2013. Further, in accordance with Section 40 of the Companies Act, 2013, the Company and each officer in default may be punishable with fine and/or imprisonment in such a case.

#### **DISCLAIMER CLAUSE OF SEBI**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF OFFER DOCUMENT TO SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE BOOK RUNNING LEAD MANAGER, EXPERT GLOBAL CONSULTANTS PRIVATE LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS OFFER DOCUMENT, THE BOOK RUNNING LEAD MANAGER, EXPERT GLOBAL CONSULTANTS PRIVATE LIMITED IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MERCHANT BANKER, EXPERT GLOBAL CONSULTANTS PRIVATE LIMITED HAS FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED FEBRUARY 22, 2025 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS), REGULATIONS, 2018.**

**THE FILING OF THIS OFFER DOCUMENT DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT 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 BOOK RUNNING LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THE OFFER DOCUMENT.**

All legal requirements pertaining to the Issue will be complied with at the time of registration of the DRHP with the Registrar of Companies, Maharashtra at Mumbai in terms of sections 26, 32 and 33 of the Companies Act, 2013.

#### **Disclaimer from our Company and the Book Running Lead Manager**

Our Company, our Promoters, our Directors and the Book Running Lead Manager accepts no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our instance and anyone placing reliance on any other source of information, including our website, [www.chtrbox.com](http://www.chtrbox.com) would

be doing so at his or her own risk.

The Book Running Lead Manager accept no responsibility, save to the limited extent as provided in the Issue Agreement entered between the Book Running Lead Manager and our Company on February 06, 2025 and the Underwriting Agreement dated [●] entered into between the Underwriters and our Company and the Market Making Agreement dated [●] entered into among the Market Maker and our Company.

All information shall be made available by our Company and the Book Running Lead Manager to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports, at collection centres or elsewhere. Neither our Company nor any member of the Syndicate shall be liable to the Bidders for any failure in uploading the Bids, due to faults in any software or hardware system, or otherwise; the blocking of Bid Amount in the ASBA Account on receipt of instructions from the Sponsor Bank on account of any errors, omissions or noncompliance by various parties involved in, or any other fault, malfunctioning or breakdown in, or otherwise, in the UPI Mechanism.

The Book Running Lead Manager and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, our subsidiary, our Promoter Group, Group Entities, or our affiliates or associates in the ordinary course of business and have engaged, or may in future engage, in commercial banking and investment banking transactions with our Company, our Promoter Group, Group Entities, and our affiliates or associates, for which they have received and may in future receive compensation.

#### **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 competent to contract under the Indian Contract Act, 1872, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in equity shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to permission from the RBI), trusts under the applicable trust laws and who are authorized under their respective constitutions to hold and invest in equity shares, public financial institutions as specified under Section 2(72) of the Companies Act 2013, state industrial development corporations, provident funds (subject to applicable law), National Investment Fund, insurance funds set up and managed by army, navy or air force of Union of India, insurance funds set up and managed by the Department of Posts, GoI, systemically important NBFCs registered with the RBI, venture capital funds, permitted insurance companies and pension funds, permitted non-residents including Eligible NRIs, AIFs, FPIs registered with SEBI and QIBs. This Draft Red Herring Prospectus does not, however, constitute an issue to sell or an invitation to subscribe to Equity Shares offered hereby, in any jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform 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) at Mumbai, India only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Red Herring Prospectus has been filed with SEBI for its observations.

Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

No person outside India is eligible to Bid for Equity Shares in the Offer unless that person has received the preliminary offering memorandum for the Offer, which contains the selling restrictions for the Offer outside India.

#### **Disclaimer Clause of the BSE**

As required, a copy of this Draft Red Herring Prospectus has been submitted to BSE SME. The disclaimer clause as intimated by BSE SME to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus / Prospectus prior to the filing with the RoC.

#### **Disclaimer Clause of RBI**

The Company is having a valid certificate of registration dated December 12, 2017 issued by the Reserve Bank of India under Section 45 IA of the Reserve Bank of India Act, 1934. Further, the Company has made an application to the RBI, pursuant to conversion of our Company to a public limited company. However, the RBI does not accept any responsibility or guarantee about the present position as to the financial soundness of the Company or for the correctness of any of the statements or representations made or opinion expressed by the Company and for the discharge of liabilities by the Company.

#### **Disclaimer Clause under Rule 144A of The U.S. Securities Act, 1993**

The Equity Shares have not been and will not be registered under the U.S. Securities Act 1933, as amended (the “**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 Regulations of 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 (i) in the United States only to “qualified institutional buyers”, as defined in Rule 144A of the Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and in compliance with the applicable laws of the jurisdiction where those offers and sales occur. Accordingly, the Equity Shares are being offered and sold only outside the United States in offshore transactions in compliance with Regulations under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur.

The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction. Further, each applicant, wherever requires, agrees that such applicant will not sell or transfer any Equity Share 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 Red Herring Prospectus is being filed with the BSE SME, where the Equity Shares are proposed to be listed at BSE Limited is located at the Mumbai, Maharashtra.

The Draft Red Herring Prospectus will not be filed with SEBI, nor will SEBI issue any observation on the Draft Red Herring Prospectus in terms of Regulation 246(2) of SEBI (ICDR) Regulations, 2018. Pursuant to Regulation 246(5) of SEBI (ICDR) Regulations, 2018 and SEBI Circular Number SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, a copy of Red Herring Prospectus will be filed online through SEBI Intermediary Portal at <https://siportal.sebi.gov.in>.

A copy of the Red Herring Prospectus/Prospectus, along with the material contracts and documents required to be filed under Section 26 of the Companies Act, 2013 would be filed with the ROC Office situated at Mumbai.

#### **Listing**

Application will be made to the SME Platform of BSE Limited (“BSE SME”) for obtaining permission to deal in and for an official quotation of our Equity Shares. SME Platform of BSE Limited (“BSE SME”) is the Designated Stock Exchange, with which the Basis of Allotment will be finalized.

Our company has received an In-principle Approval letter dated [●] from [●] for using its name in this Offer document for listing our shares on the [●].

If the permissions to deal in and for an official quotation of our Equity Shares are not granted by the [●], our Company will forthwith repay, without interest, all moneys received from the Applicants in pursuance of the Draft Red Herring Prospectus. If such money is not repaid within three days after our Company becomes liable to repay it (i.e.; from the date of refusal or within 15 working days from the Issue Closing Date), then our Company and every Director of our Company who is an officer in default shall, on and from such expiry of thirds days, be liable to repay the money, with interest at the rate of 15 per cent per annum on application money, as prescribed under section 40 of the Companies Act, 2013.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the BSE SME mentioned above are taken within three Working Days from the Issue Closing Date.

## Consents

Consents in writing of (a) Our Directors, Our Promoters, Our Company Secretary & Compliance Officer, Chief Financial Officer, Senior Managerial Personnel (SMP), Our Peer Reviewed Statutory Auditor, Our Banker(s) to the Company; (b) Book Running Lead Manager, Registrar to the Issue, Banker(s) to the Issue, Legal Advisor to the Issue, Underwriter(s) to the Issue, Market Maker to the Issue, [●], [●], [●] and [●] to act in their respective capacities have been obtained as required under section 26 of the Companies Act, 2013 and shall be filed along with a copy of the Red Herring Prospectus/ Prospectus with the RoC, as required under Sections 32 of the Companies Act, 2013 and such consents will not be withdrawn up to the time of delivery of the Prospectus for registration with the RoC.

## Experts

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

Our Company has received written consent dated February 19, 2025 from the Peer Reviewed Auditors to include their name as required under Section 26(5) of the Companies Act 2013 read with SEBI ICDR Regulations in this Draft Red Herring Prospectus as an “expert” as defined under Section 2(38) of the Companies Act 2013 to the extent and in its capacity as an independent Peer Reviewed Auditor and in respect of its (i) examination report dated February 04, 2025 on our restated financial information; and (ii) its report dated February 19, 2025 on the statement of special tax benefits in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act.

The consent has not been withdrawn as of the date of this Draft Red Herring Prospectus.

## 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 to action under section 447 of the Companies, Act 2013*

The liability prescribed under Section 447 of the Companies Act, 2013 - any person who is found to be guilty of fraud involving an amount of at least ten lakh rupees or one per cent. of the turnover of the company, whichever is lower shall be punishable with imprisonment for a term which shall not be less than six months but which may extend to ten years (provided that where the fraud involves public interest, such term shall not be less than three 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 three times the amount involved in the fraud.

Provided further that where the fraud involves an amount less than ten lakh rupees or one per cent. of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to fifty lakh rupees or with both.

## Particulars regarding Public or Rights Issues during the last five (5) years and performance vis-à-vis objects

Our Company has not made any previous public during the last five (5) years preceding the date of this Draft Red Herring Prospectus, further for details in relation to right issue made by our Company during the five years preceding the date of this Draft Red Herring Prospectus, please refer to section titled “**Capital Structure**” on page 62 of this Draft Red Herring Prospectus.

#### Commission or brokerage on previous issues of the Equity Shares in the last five years

Since this is the initial public offer of the Equity Shares, 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 for the last five years by our Company.

#### Particulars regarding capital issues in the preceding three years

Except as disclosed in the section titled “**Capital Structure**” on page 62 our Company has not made any capital issues during the three years immediately preceding the date of this Draft Red Herring Prospectus. Further, our Company does not have any listed group companies. Further, our Company has not made any capital issues during the three years immediately preceding the date of this Draft Red Herring Prospectus.

#### Price Information And The Track Record Of The Past Issued Handled By The BRLM:

##### Statement on Price Information of Past Issues handled by Expert Global Consultants Private:-

**TABLE 1**

Sr. No.	Issuer Company Name	Issue Size (₹ in Lakhs)	Issue price	Listing date	Opening price on listing date	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
<b>SME- IPOs</b>								
1.	Rite Zone Chemcon India Limited	896.40	75.00	November 11, 2022	82.85	-7.99%; [0.80%]	-11.56%; [-2.60%]	-19.21%; [-0.46%]
2.	Dollex Agrotech Limited	2,438.80	35.00	December 28, 2022	30.00	15.24%; [-1.27%]	-12.70%; [-6.27%]	18.10%; [3.00%]
3.	Sonalis Consumer Products Limited	283.20	30.00	June 19, 2023	38.00	85.59%; [5.30%]	69.65%; [7.66%]	-17.29%; [14.40%]
4.	Zeal Global Services Limited	3,646.20	103.00	August 9, 2023	147.00	57.11%; [0.48%]	32.52%; [-1.12%]	16.29%; [10.90%]
5.	Mangalam Alloys Limited	5,491.20	80.00	October 4, 2023	80.00	-34.54%; [-1.56%]	-32.70%; [11.86%]	-55.46%; [14.87%]
6.	Royal Sense Limited	986.00	68.00	March 19, 2024	129.20	16.10%; [1.51%]	2.65%; [7.55%]	15.37%; [16.22%]
7.	Jay Kailash Namkeen Limited	1,192.53	73.00	April 08, 2024	85.00	-12.59%; [-1.61%]	-17.83%; [7.31%]	-11.46%; [10.36%]
8.	K2 Infragen Limited	4,054.09	119.00	April 08, 2024	167.00	-18.96%; [-1.61%]	77.00%; [7.31%]	40.40%; [10.36%]
9.	Durlax Top Surface Limited	4,080.00	68.00	June 26, 2024	109.00	-25.54%; [2.25%]	-36.60%; [8.67%]	-22.24%; [2.67%]
10.	Mason Infratech Limited	3,046.40	64.00	July 1, 2024	88.00	73.11%; [2.96%]	61.26%; [8.44%]	-15.44%; [-4.20%]
11.	Trom Industries Limited	3,136.74	115.00	August 1, 2024	218.50	20.20%; [0.90%]	0.26%; [-2.18%]	-24.06%; [-9.54%]

12.	Innomet Advanced Materials Limited	3,423.60	100.00	September 18, 2024	190.00	1.88%; [-2.47%]	-0.50% [0.33%]	NA
13.	Neelam Linens And Garments (India) Limited	1300.32	24.00	November 18, 2024	40.05	45.34%	-8.15% [-5.66%]	NA
14.	Purple United Sales Limited	3281.04	126.00	December 18, 2024	199.00	-15.26% [-3.67%]	NA	NA
<b>Main Board IPOs</b>								
Nil								

**Note:-**

1. The BSE Sensex and Nifty are considered as the Benchmark Index based on the exchange where the Company is listed
2. Prices on BSE/NSE are considered for all of the above calculations
3. In case the 30th/90th/180th day is a holiday, closing price on BSE/NSE of the nearest trading day has been considered.
4. In case 30th/90th/180th days, scrips are not traded then closing price on BSE/NSE of the nearest trading day has been considered.

**TABLE 2: SUMMARY STATEMENT OF DISCLOSURE**

Financial Year	Total no. Of IPOs	Total amount of funds raised (Rs. Cr.)	No. of IPOs trading at discount-30 <sup>th</sup> calendar days from listing			No. of IPOs trading at premium-30 <sup>th</sup> calendar days from listing			No. of IPOs trading at discount-180 <sup>th</sup> calendar days from listing			No. of IPOs trading at premium-180 <sup>th</sup> calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
SME BOARD														
FY 2022-23	2	3,335.20	-	-	1	-	-	1	-	-	1	-	-	1
FY 2023-24	4	10,406.60	-	1	-	2	-	1	1	-	1	-	-	2
FY 2024-25	8	23,514.72	-	1	2	1	1	2	-	1	1	-	1	-
MAIN BOARD														
Expert Global Consultants Private has not done any main board issue in last three financial years as well as in the current financial year till the date this Draft Red Herring Prospectus.														

*\*The information is as on the date of the document. The information for each of the financial years is based on Offers listed during such financial year.*

**Track record of past Offers handled by the Book Running Lead Manager**

For details regarding the track record of the BRLM, as specified in Circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by SEBI, please see the website [www.expertglobal.in](http://www.expertglobal.in)

**Stock Market Data Of The Equity Shares****Mechanism for Redressal of Investor Grievances**

The Registrar Agreement provides for retention of records with the Registrar to the Offer for a minimum period of eight years from the date of listing and commencement of trading of the Equity Shares on the Stock Exchanges, in order to enable the investors to approach the Registrar to the Offer for redressal of their grievances. The Registrar to the Offer shall obtain the required information from the Self Certified Syndicate Banks (“SCSBs”) for addressing any clarifications or grievances of application supported by blocked amount (“ASBA”) Bidders.

**Bidders can contact the Company Secretary and Compliance Officer, the BRLM and/or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders or non-receipt of funds**

**by electronic mode, etc. For all Offer related queries and for redressal of complaints, Bidders may also write to the BRLM, in the manner provided below.**

All Offer related grievances, other than of Anchor Investors, may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary, with whom the Bid cum Application Form was submitted giving full details such as name of the sole or First Bidder, Bid cum Application Form number, Bidder's DP ID, Client ID, Unified Payments Interface Identity ("UPI ID"), Permanent Account Number ("PAN"), address of Bidder, number of the Equity Shares applied for, ASBA Account number in which the amount equivalent to the Bid Amount was blocked or the UPI ID (for UPI Bidders who make the payment of Bid Amount through the UPI Mechanism), date of Bid cum Application Form and the name and address of the relevant Designated Intermediary where the Bid was submitted. Further, the Bidder shall enclose the Acknowledgment Slip or the application number from the Designated Intermediary in addition to the documents or information mentioned hereinabove.

For Offer-related grievances, investors may contact the BRLM, details of which are given in "General Information – Book Running Lead Manager" on page 55.

All Offer-related grievances of the Anchor Investors may be addressed to the Registrar to the Offer, giving full details such as the name of the sole or first bidder, Anchor Investor Application Form number, Bidders' DP ID, Client ID, PAN, date of the Anchor Investor Application Form, address of the Bidder, number of the Equity Shares applied for, Bid Amount paid on submission of the Anchor Investor Application Form and the name and address of the BRLM where the Anchor Investor Application Form was submitted by the Anchor Investor.

In case of any delay in unblocking of amounts in the ASBA Accounts exceeding two Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day for the entire duration of delay exceeding two Working Days from the Bid / Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLM, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

Pursuant to the SEBI master circular for Issue of Capital and Disclosure Requirements bearing reference number SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023 ("SEBI ICDR Master Circular") and the circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 ("March 2021 Circular"), SEBI has identified the need to put in place measures, in order to manage and handle investor issues arising out of the UPI Mechanism *inter alia* in relation to delay in receipt of mandates by Bidders for blocking of funds due to systemic issues faced by Designated Intermediaries/SCSBs and failure to unblock funds in cases of partial allotment/non-allotment within prescribed timelines and procedures.

In terms of SEBI ICDR Master Circular issued by the SEBI, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days. Further, in terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, the payment of processing fees to the SCSBs shall be undertaken pursuant to an application made by the SCSBs to the BRLM, and such application shall be made only after (i) unblocking of application amounts for each application received by the SCSB has been fully completed, and (ii) applicable compensation relating to investor complaints has been paid by the SCSB.

Separately, pursuant to the circular March 2021 Circular, the following compensation mechanism shall be applicable for investor grievances in relation to Bids made through the UPI Mechanism, for which the relevant SCSBs shall be liable to compensate the investor:

Scenario	Compensation amount	Compensation period
Delayed unblock for cancelled / withdrawn / deleted applications	₹100 per day or 15% per annum of the Bid Amount, whichever is higher	From the date on which the request for cancellation / withdrawal / deletion is placed on the bidding platform of the Stock Exchanges till the date of actual unblock
Blocking of multiple amounts for the same Bid made through the UPI Mechanism	1. Instantly revoke the blocked funds other than the original application amount; and	From the date on which multiple amounts were blocked till the date of actual unblock

Scenario	Compensation amount	Compensation period
	2. ₹100 per day or 15% per annum of the total cumulative blocked amount except the original Bid Amount, whichever is higher	
Blocking more amount than the Bid Amount	1. Instantly revoke the difference amount, i.e., the blocked amount less the Bid Amount; and 2. ₹100 per day or 15% per annum of the difference amount, whichever is higher	From the date on which the funds to the excess of the Bid Amount were blocked till the date of actual unblock
Delayed unblock for non – Allotted/ partially Allotted applications	₹100 per day or 15% per annum of the Bid Amount, whichever is higher	From the Working Day subsequent to the finalisation of the Basis of Allotment till the date of actual unblock

Further, in the event there are any delays in resolving the investor grievance beyond the date of receipt of the complaint from the investor, for each day delayed, the BRLM shall be liable to compensate the investor ₹100 per day or 15% per annum of the Bid Amount, whichever is higher. The compensation shall be payable for the period ranging from the day on which the investor grievance is received till the date of actual unblock.

All grievances relating to Bids submitted with Registered Brokers, may be addressed to the Stock Exchanges, with a copy to the Registrar to the Offer.

#### Disposal of Investor Grievances by our Company

Our Company estimates that the average time required by our Company or the Registrar to the Issue for the redressal of routine investor grievances shall be fifteen (15) Working Days from the date of receipt of the complaint. In case of complaints that are not routine or where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has constituted Stakeholders Relationship Committee in the meeting of our Board of Directors held on January 21, 2025. For further details on the Stakeholders Relationship Committee, please refer to section titled “*Our Management*” beginning on page 151 of this Draft Red Herring Prospectus.

The members of the Stakeholders’ Relationship Committee are:

Name of Director	Status in Committee	Nature of Directorship
Sangita Bhamesh Kamble	Chairman	Non-Executive Independent Director
Ratnakar Venkappa Rai	Member	Non-Executive Independent Director
Pratik Prakash Shah	Member	Non-Executive Independent Director

The Company Secretary of our Company shall serve as the secretary of the Stakeholders’ Relationship Committee.

**Our Company has appointed Prachi Parag Kela , Company Secretary and the Compliance Officer to redress complaints, if any, of the investors participating in the Issue. Contact details for our Company Secretary and Compliance Officer are as follows:**

#### Company Secretary and Compliance Officer

##### Prachi Parag Kela

Unit No. 101 VIP Plaza Cooperative Premises Society Ltd,  
Andheri New Link Road, Opp Infinity Mall Behind Crystal Plaza,  
Andheri, Mumbai - 400053, Maharashtra, India.

Tel: +91 22 4451 4288

E-mail: cs@chtrbox.com

Website: www.chtrbox.com



Investors can contact the Compliance Officer or the Registrar in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of allocation, credit of allotted Equity Shares in the respective beneficiary account etc.

Pursuant to the press release no. PR. No. 85/2011 dated June 08, 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)

**EXEMPTION FROM COMPLYING WITH ANY PROVISIONS OF SECURITIES LAWS, IF ANY, GRANTED BY SEBI**

Our Company has not applied or received any exemptions from SEBI from complying with any provisions of securities laws.

## SECTION VIII – ISSUE RELATED INFORMATION

### TERMS OF THE ISSUE

*The Equity Shares being issued and allotted pursuant to the Issue shall be subject to the provisions of the Companies Act 2013, the SEBI (ICDR) Regulations, 2018, the SCRA, the SCRR, the MOA, the AOA, the SEBI Listing Regulations, the terms of this Draft Red Herring Prospectus, the Red Herring Prospectus, the Prospectus, the Application Form, the Revision Form, the Confirmation of Allocation Note ('CAN'), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other documents and certificates that may be executed in respect of the Issue. The Equity Shares will also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to issue and listing and trading of securities, issued from time to time, by the SEBI, the Government of India, the Stock Exchanges (BSE), the RoC, the RBI and/or other authorities to the extent applicable or such other conditions as may be prescribed by such governmental and/or regulatory authority, as in force on the date of the Issue and to the extent applicable.*

#### Authority for the Issue

The present Issue of upto 37,27,200 Equity Shares for cash at a price of ₹ [●] each, aggregating up to ₹ [●] lakhs comprising of a fresh issue which have been authorized by a resolution of the Board of Directors of our Company at their meeting held on January 21, 2025 and was approved by the Shareholders of our Company by passing special resolution at their Extra-Ordinary General Meeting held on February 05, 2025 in accordance with the applicable provisions of the Companies Act, 2013.

#### Ranking of the 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 in respect of the rights to receive dividends and other corporate benefits, if any, declared by us after the date of Allotment. For further details, please refer to “**Main Provisions of the Articles of Association**” on page 272 of this Draft Red Herring Prospectus.

#### Mode of Payment of Dividend

The declaration and payment of dividend will be as per the provisions of Companies Act, the Articles of Association, the provision of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, other applicable laws including guidelines or directives that may be issued by the GoI in this respect and as recommended by the Board of Directors and the Shareholders at their discretion and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. We shall pay dividends in cash and as per provisions of the Companies Act. For further details, please refer to “**Dividend Policy**” on page 159 of this Draft Red Herring Prospectus.

#### Face Value, Issue Price, Floor Price and Price Band

The Face Value of each Equity Share is ₹ 10.00/- each and the Issue Price at the lower end of the Price Band is ₹ [●] per equity Share (“**Floor Price**”) and at the higher end of the Price Band is ₹ [●] per equity Share (“**Cap Price**”). The Anchor Investor Issue Price is ₹ [●] per Equity Share.

The Price Band and the minimum Bid Lot will be decided by our Company in consultation with the BRLM and will be advertised, at least two Working Days prior to the Bid/ Issue Opening Date, in all editions of [●], an English national daily newspaper and all editions of [●], a Hindi national daily newspaper and [●] edition of [●], a regional newspaper each with wide circulation where the registered office of the Company is situated and shall be made available to the Stock Exchange for the purpose of uploading on its website. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre filled in the Bid cum Application Forms available on the website of the Stock Exchange. The Issue Price shall be determined by our Company and in consultation with the BRLM, after the Bid/ Issue Closing Date, on the basis of assessment of market demand for the Equity Shares offered by way of Book Building Process.

At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.

The Issue price shall be determined by our company in consultation with the BRLM and is justified under the chapter titled “Basis of Issue Price” beginning on page 89 of this Draft Red Herring Prospectus.

### **Compliance with SEBI (ICDR) Regulations**

Our Company shall comply with all requirements of the SEBI (ICDR) Regulations, 2018. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time

### **Rights of the Equity Shareholders**

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the equity Shareholders will have the following rights:

- Right to receive dividends, if declared;
- Right to receive Annual Reports and notices to members;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy, in accordance with the provisions of the Companies Act;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive any surplus on liquidation subject to any statutory and preferential claims being satisfied;
- Right of free transferability of their Equity Shares, subject to applicable foreign exchange regulations and other applicable law; and
- Such other rights as may be available to a shareholder of a listed public company under the Companies Act, the terms of the SEBI Listing Regulations and our Memorandum of Association and Articles of Association and other applicable laws.

For a detailed description of the main provisions of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/or consolidation/splitting, see “Main Provisions of the Articles of Association”, beginning on page 272 of this DRHP.

### **Allotment only in dematerialised form**

As per the provisions of the Depositories Act, 1996 and in terms of Section 29(1) of the Companies Act 2013, the Equity Shares shall be allotted only 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. As per the existing SEBI ICDR Regulations, 2018, the trading of the Equity Shares shall only be in dematerialized form for all investors. Hence, the Equity Shares being offered can be applied for in the dematerialized form only.

In this context, two agreements have been signed among our Company, the respective Depositories and the Registrar to the Issue:

- Agreement dated November 15, 2024 amongst NSDL, our Company and the Registrar to the Offer; and
- Agreement dated November 28, 2024 amongst CDSL, our Company and the Registrar to the Offer.

**Furnishing the details depository account is mandatory and applications without a depository account shall be treated as incomplete and rejected.**

### **Minimum Application Value, Market Lot and Trading Lot**

In accordance with Regulation 267(2) of the SEBI ICDR Regulations, our Company shall ensure that the minimum application size shall not be less than ₹ 1,00,000/- (Rupees One Lakh) per application.

The trading of the Equity Shares will happen in the minimum contract size of [●] Equity Shares and the same may be modified by the [●] from time to time by giving prior notice to investors at large.

Allocation and allotment of Equity Shares through this Issue will be done in multiples of [●] Equity Shares and is subject to a minimum allotment of [●] Equity Shares to the successful applicants in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.

### **Minimum Number of Allotees**

In accordance with the Regulation 268 (1) of SEBI ICDR Regulations, the Minimum number of allottees in this Issue shall be 50 (Fifty) shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and all the monies blocked by the SCSBs or Sponsor Bank shall be unblocked as per SEBI ICDR Regulations and SEBI Circulars

### **Joint Holders**

Subject to the provisions of the AOA, where two or more persons are registered as the holders of the Equity Shares, they will be deemed to hold such Equity Shares as joint tenants with benefits of survivorship.

### **Jurisdiction**

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/ authorities in Mumbai.

**The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws in the United States, and may not be offered or sold within the United States, except pursuant to an exemption from or in a transaction not subject to, registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered or sold outside the United States in compliance with Regulations under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur.**

**The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.**

*The above information is given for the benefit of the Applicants. Our Company and the Book Running Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.*

### **Nomination facility to investors**

In accordance with Section 72 of the Companies Act, read with the rules notified thereunder, the sole Bidder, or the first Bidder along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall 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/transfer/alienation of Equity Share(s) by the person nominating. A nomination may be cancelled or varied by the Shareholder by nominating any other person in place of the present nominee, by giving a notice of such cancellation. 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 our Registered Office or to the registrar and transfer agents of our Company.

Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act shall upon the production of such evidence as may be required by the Board, elect either:

- (a) to register himself or herself as the holder of the Equity Shares; or
- (b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, our 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, our Board may thereafter withhold payment of all dividends, bonuses or other monies 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 dematerialised mode, there is no need to make a separate nomination with our Company. Nominations registered with respective Depository Participant of the Bidder would prevail. If the Bidder wants to change the nomination, they are requested to inform their respective Depository Participant.

### **Restrictions, if any on Transfer and Transmission of Equity Shares**

Except for lock-in of the pre-Issue Equity Share capital and Promoter's minimum contribution under the SEBI ICDR Regulations as provided in "**Capital Structure**", beginning on page of this DRHP and except as provided under the AOA, there are no restrictions on transfer of the Equity Shares. Further, there are no restrictions on transmission of any shares of our Company and on their consolidation or splitting, except as provided in the AOA. For details, see "**Main Provisions of the Articles of Association**", beginning on page 272 of this Draft Red Herring 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 Book Running Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the Book Running Lead Manager are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares Applied for do not exceed the applicable limits under laws or regulations.*

## Withdrawal of the Issue

Our Company in consultation with the Book Running Lead Manager, reserves the right not to proceed with the Issue at any time after the Issue Opening Date but before the Board meeting for Allotment. In such an event our Company would issue a public notice in the newspapers, in which the pre-issue advertisements were published, within two (2) working days of the issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. The Book Running Lead Manager, through the Registrar to the Issue, shall notify the SCSBs to unblock the bank accounts of the ASBA Applicants within one (1) working day of receipt of such notification. Our Company shall also promptly inform the Stock Exchange on which the Equity Shares are proposed to be listed.

Notwithstanding the foregoing, the 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. ii) the final RoC approval of the Red Herring Prospectus after it is filed with the RoC. If our Company in consultation with the BRLM withdraws the Issue after the Issue Closing Date and thereafter determines that it will proceed with an IPO, our Company shall be required to file a fresh Draft Red Herring Prospectus/ Red Herring Prospectus with the Stock Exchange.

## Bid/Issue Programme

<b>ANCHOR PORTION OPENS ON</b>	[●] <sup>(1)</sup>
<b>ISSUE OPENS ON</b>	[●] <sup>(1)</sup>
<b>ISSUE CLOSES ON</b>	[●] <sup>(2) (3)</sup>
Finalisation of Basis of Allotment with the Designated Stock Exchange	On or about [●]
Initiation of Allotment/ refunds/unblocking of funds from ASBA Account or UPI ID linked bank account	On or about [●]
Credit of Equity Shares to demat accounts of Allottees	On or about [●]
Commencement of trading of the Equity Shares	On or about [●]

*Note:*

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

(2) Our Company shall, in consultation with the Book Running Lead Manager, consider closing the Bid/Issue Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations.

(3) UPI mandate end time and date shall be at 5.00 p.m. on the Bid / Issue Closing Date.

\*In case of (i) any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two Working Days from the Bid/Offer Closing Date for cancelled / withdrawn / deleted ASBA Forms, the Bidder shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the Bid Amount, whichever is higher from the date on which the request for cancellation/ withdrawal/ deletion is placed in the Stock Exchanges bidding 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 Bidder 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 Bid Amount, the Bidder 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 nonallotted/ partially allotted Bids, exceeding two Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the Bid Amount, whichever is higher for the entire duration of delay exceeding two Working Days from the Bid/Offer Closing Date by the SCSB responsible for causing such delay in unblocking. The BRLM shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. The post Offer BRLM shall be liable for compensating the Bidder at a uniform rate of ₹100 per day or 15% per annum of the Bid 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 March 2021 Circular, as amended pursuant to June 2021 Circular shall be deemed to be incorporated in the agreements to be entered into by and between our Company and the relevant intermediaries, to the extent applicable.

The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022.

**The above timetable is indicative and does not constitute any obligation or liability on our Company or the BRLM.**

While our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within such period of the Bid / Offer Closing Date, as may be prescribed by the SEBI, the timetable may be extended due to various factors, such as extension of the Bid / Offer Period by our Company in consultation with the BRLM, revision of the Price Band or any delay in receiving the final listing and trading approval from the Stock Exchanges, and delay in respect of final certificates from SCSBs. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws. In terms of the UPI Circulars, in relation to the Issue, the BRLM will be required to submit reports of compliance with timelines and activities prescribed by SEBI in connection with the allotment and listing procedure within three Working Days from the Bid / Issue Closing Date, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.

**Submission of Bids (other than Bids from Anchor Investors):**

<b>Bid/ Issue Period (except the Bid/ Issue Closing Date)</b>	
Submission and Revision in Bids	Only between 10.00 a.m. and 5.00 p.m. IST
<b>Bid/ Offer Closing Date*</b>	
Submission of Electronic Applications (Online ASBA through 3-in-1 accounts) – For RIBs other than QIBs and NIIs	Only between 10.00 a.m. and 5.00 p.m. IST
Submission of Electronic Applications (Bank ASBA through Online channels like Internet Banking, Mobile Banking and Syndicate UPI ASBA applications where Bid Amount is up to ₹0.50 million)	Only between 10.00 a.m. and up to 4.00 p.m. IST
Submission of Electronic Applications (Syndicate Non-Retail, Non-Individual Applications)	Only between 10.00 a.m. and 3:00 p.m IST
Submission of Physical Applications (Bank ASBA)	Only between 10.00 a.m. and 1:00 p.m IST
Submission of Physical Applications (Syndicate Non-Retail, Non-Individual Applications where Bid Amount is more than ₹0.50 million)	Only between 10.00 a.m. and 12:00 p.m IST
<b>Modification/ Revision/cancellation of Bids</b>	
Upward Revision of Bids by QIBs and Non-Institutional Bidders categories#	Only between 10.00 a.m. and up to 5.00 p.m. IST on Bid/ Offer Closing Date
Upward or downward Revision of Bids or cancellation of Bids by RIBs	Only between 10.00 a.m. and up to 5.00 p.m. IST

\*UPI mandate end time and date shall be at 5.00 pm on Bid/Offer Closing Date.

# QIBs and Non-Institutional Bidders can neither revise their bids downwards nor cancel/withdraw their bids.

**On the Bid/ Offer Closing Date, the Bids shall be uploaded until:**

- i. 4.00 p.m. IST in case of Bids by QIBs and Non-Institutional Bidders, and
- ii. until 5.00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Bids by RIBs.

On Bid / Offer Closing Date, extension of time will be granted by the Stock Exchanges only for uploading Bids received by Retail Individual Bidders, after taking into account the total number of Bids received and as reported by the BRLM to the Stock Exchanges.

The Registrar to the Offer shall submit the details of cancelled / withdrawn / deleted applications to the SCSB's on daily basis within 60 minutes of the Bid closure time from the Bid / Offer Opening Date till the Bid / Offer Closing Date by obtaining the same from the Stock Exchanges. The SCSB's shall unblock such applications by the closing hours of the Working Day.

To avoid duplication, the facility of re-initiation provided to Syndicate Members shall preferably be allowed only once per bid/batch and as deemed fit by the Stock Exchanges, after closure of the time for uploading Bids.

**It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs or not blocked under the UPI Mechanism in the relevant ASBA Account, as the case may be, would be rejected.**

Due to limitation of time available for uploading the Bids on the Bid/ Offer Closing Date, Bidders are advised to submit their Bids one day prior to the Bid/ Offer Closing Date, and in any case no later than 1:00 p.m. IST on the Bid/ Offer Closing Date. Any time mentioned in this Draft Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/ Offer Closing Date, as is typically experienced in public offerings in India, it may lead to some Bids not being uploaded due to lack of sufficient time to upload. Such Bids that cannot be uploaded will not be considered for allocation under this Offer. Bids and any revision to the Bids, will be accepted only during Working Days, during the Bid/ Offer Period. Bids will be accepted only during Monday to Friday (excluding any public holiday), during the Bid/Offer period. None among our Company or the Member of the Syndicate shall be liable for any failure in (i) uploading the Bids due to faults in any software/ hardware system or blocking of application amount by the SCSBs on receipt of instructions from the Sponsor Bank on account of any errors, omissions or non-compliance by various parties involved in, or any other fault, malfunctioning or breakdown in, or otherwise, in the UPI Mechanism.

In case of any discrepancy in the data entered in the electronic book vis-a-vis data contained in the physical Bid cum Application Form, for a particular Bidder, the details of the Bid file received from the Stock Exchanges may be taken. Our Company in consultation with the BRLM, reserve the right to revise the Price Band during the Bid/Offer Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in the Price Band shall not exceed 20% on either side, i.e. the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly. The Floor Price shall not be less than the face value of the Equity Shares.

**In case of any revision to the Price Band, the Bid/Offer Period will be extended by at least three additional Working Days following such revision of the Price Band, subject to the Bid/Offer Period not exceeding a total of 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company in consultation with the BRLM, for reasons to be recorded in writing, extend the Bid/Offer Period for a minimum of three Working Days, subject to the Bid/ Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Offer Period, if applicable, will be widely disseminated by notification to the Stock Exchange, by issuing a public notice, and also by indicating the change on the respective websites of the BRLM and the terminal of the Syndicate Member, if any and by intimation to SCSBs, other Designated Intermediaries and the Sponsor Bank, as applicable. In case of revision of Price Band, the Bid Lot shall remain the same.**

**Minimum Subscription**

In accordance with Regulation 260(1) of the SEBI (ICDR) Regulations, our Issue shall be 100% underwritten. Thus, the underwriting obligations shall be for the entire hundred percent of the offer through the Draft Red Herring Prospectus and shall not be restricted to the minimum subscription level. Further, in accordance with Regulation 267 (2) of the SEBI ICDR Regulations, our Company shall ensure that the minimum application size shall not be less than ₹ 1,00,000 (Rupees One Lakh) per application.

As per Section 39 of the Companies Act, 2013, if the “stated minimum amount” has not been subscribed and the sum payable on application is not received within a 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 our Company does not receive the 100% subscription of the issue through the Issue Document including devolvement of Underwriters, our Company shall forthwith refund the entire subscription amount received within two working days from the closure of the issue. If there is a delay beyond such time, our Company becomes liable to pay the amount, our Company and every officer in default will, on and from the expiry of this period, be jointly and severally liable to repay the money, with interest or other penalty as prescribed under the SEBI Regulations, the Companies Act 2013 and applicable laws.

The minimum number of allottees in this Issue shall be fifty (50) shareholders. In case the minimum number of prospective allottees is less than fifty (50), no allotment will be made pursuant to this Issue and the monies blocked by the SCSBs shall be unblocked as per SEBI ICDR Regulations and SEBI Circulars

In accordance with Regulation 260(1) 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 this Draft Red Herring Prospectus and shall not be restricted to the minimum subscription level. Further, in accordance with Regulation 267(2) of the SEBI ICDR Regulations, our Company shall ensure that the minimum application size shall not be less than ₹ 1,00,000 (Rupees One Lakh) 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.

### **Migration to Main Board**

As per the provisions of the Chapter IX of the SEBI ICDR Regulations, our Company may migrate to the main board Platform of Stock Exchanges on a later date subject to the following:

- If the Paid-up Capital of the company is likely to increase above ₹25 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the 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 the company has obtained in-principal approval from the main board), we shall have to apply to BSE for listing our shares on its Main Board subject to the fulfillment of the eligibility criteria for listing of specified securities laid down by the Main Board.
- If the Paid-up Capital of the company is more than ₹10 crores but below ₹25 crores, we may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoters shareholders against the proposal.
- Shall comply with the conditions laid down by the Stock Exchanges time to time.

### **Arrangements for Disposal of Odd Lots**

The trading of the Equity Shares will happen in the minimum contract size of [●] shares in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, the Market Maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the [●].

### **Application by Eligible NRIs, FPIs or VCFs registered with SEBI**

It is to be understood that there is no reservation for Eligible NRIs, FPIs or VCF registered with SEBI. Such Eligible NRIs, FPIs or VCF registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

NRIs, FPIs/FIIs and foreign venture capital investors registered with SEBI are permitted to purchase shares of an Indian company in a public Offer without the prior approval of the RBI, so long as the price of the equity shares to be Offered 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.

**As per the extent Guidelines of the Government of India, OCBs cannot participate in this Issue**

The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, 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.

**Market Making**

The shares issued and transferred through this Issue are proposed to be listed on the BSE SME with compulsory market making through the registered Market Maker of the SME Exchange for a minimum period of three years or such other time as may be prescribed by the Stock Exchange, from the date of listing on the [●]. For further details of the market making arrangement please refer to chapter titled “*General Information*” beginning on page 53 of this Draft Red Herring Prospectus.

**Pre-Issue Advertisement**

Subject to Section 30 of the Companies Act, 2013 our Company shall, after filing the Red Herring Prospectus/ 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.

**New Financial Instruments**

There are no new financial instruments such as deep discounted bonds, debenture, warrants, secured premium notes, etc. issued by our Company.

## ISSUE STRUCTURE

*This Issue is being made in terms of Regulation 229 (2) of Chapter IX of SEBI (ICDR) Regulations, 2018, as amended from time to time, whereby, an issuer whose post Offer paid up capital is less than or equal to ₹ 10 crores, shall Offer equity shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (“SME Exchange”, in this case being the BSE). For further details regarding the salient features and terms of such an Offer, please refer chapter titled “Terms of the Issue” and “Issue Procedure” on page no. 230 and 241 respectively of this Draft Red Herring Prospectus.*

### Issue Structure:

The present initial public offer is up to 37,27,200 Equity Shares for cash at a price of ₹ [●] each, aggregating up to ₹ [●] lakhs which have been authorized by a resolution of the Board of Directors of our Company at their meeting held on January 21, 2025 and was approved by the Shareholders of the Company by passing Special Resolution at the Extra-Ordinary General Meeting held on February 05, 2025 in accordance with the provisions of Section 62 (1) (c) of the Companies Act, 2013. The Issue comprises a reservation of 1,87,200 Equity Shares of ₹ [●] each for subscription by the designated Market Maker (the “**Market Maker Reservation Portion**”) and a Net Issue to Public of 35,40,000 Equity Shares of ₹ [●] each is hereinafter referred to as the Net Issue. The Offer and the Net Offer will constitute [●] % and [●] %, respectively of the post Issue paid up Equity Share Capital of the Company.

This Issue is being made by way of Book Building Process:

Particulars of the Issue <sup>(2)</sup>	Market Maker Reservation Portion	QIBs	Non-Institutional Applicants	Retail Individual Investors
<b>Number of Equity Shares available for allocation</b>	Up to [●] Equity shares	Not more than [●] Equity Shares.	Not less than [●] Equity Shares	Not less than [●] Equity Shares
<b>Percentage of Issue size available for allocation</b>	[●] of the Offer size	Not more than 50% of the Net Issue being available for allocation to QIB Bidders. However, up to 5% of the Net QIB Portion may be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining QIB Portion. The unsubscribed portion in the Mutual Fund Portion will be added to the Net QIB Portion  Up to 60.00% of the QIB Portion may be available for allocation to Anchor Investors and one third of the Anchor Investors Portion shall be available for allocation to domestic mutual funds only.”	Not less than 15% of the Net Issue	Not less than 35% of the Net Issue
<b>Basis of Allotment<sup>(3)</sup></b>	Firm Allotment	Proportionate as follows: (excluding the Anchor Investor Portion): a) Up to [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and  b) Up to [●] Equity Shares shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above  Up to 60% of the QIB Portion (of up to [●] Equity Shares may be allocated on a discretionary basis	Proportionate basis subject to minimum allotment of [●] Equity Shares and further allotment in multiples of [●] Equity Shares.	Proportionate basis subject to minimum allotment of [●] Equity Shares

Particulars of the Issue <sup>(2)</sup>	Market Maker Reservation Portion	QIBs	Non-Institutional Applicants	Retail Individual Investors
		to Anchor Investors of which one-third shall be available for allocation to Mutual Funds only, subject to valid Bid received from Mutual Funds at or above the Anchor Investor Allocation Price.		
<b>Mode of Bid</b>	Only through the ASBA Process	Only through the ASBA process. (Except for Anchor investors)	Through ASBA Process through banks or by using UPI ID for payment	Through ASBA Process through banks or by using UPI ID for payment
<b>Mode of Allotment</b>	Compulsorily in dematerialized form			
<b>Minimum Bid Size</b>	[●] Equity Shares	Such number of Equity Shares and in multiples of [●] Equity Shares that the Bid Amount exceeds ₹ 200,000	Such number of Equity Shares in multiples of [●] Equity Shares that Bid size exceeds ₹ 200,000	[●] Equity Shares
<b>Maximum Bid Size</b>	[●] Equity Shares	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Net Issue, subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Offer (excluding the QIB portion), subject to limits as applicable	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed ₹ 2,00,000
<b>Trading Lot</b>	[●] Equity Shares, however, the Market Maker may accept odd lots if any in the market as required under the SEBI ICDR Regulations	[●] Equity Shares and in multiples thereof	[●] Equity Shares and in multiples thereof	[●] Equity Shares and in multiples thereof
<b>Terms of Payment</b>	<p><b>In case of Anchor Investors:</b> Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids<sup>(4)</sup></p> <p><b>In case of all other Bidders:</b> Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder or by the Sponsor Bank(s) through the UPI Mechanism (for RIBs or individual investors bidding under the Non – Institutional Portion for an amount of more than ₹0.20 million and up to ₹0.50 million, using the UPI Mechanism), that is specified in the ASBA Form at the time of submission of the ASBA Form.</p>			
<b>Mode of Bid</b>	Through ASBA process only (except Anchor Investors). In case of UPI Bidders, ASBA process will include the UPI Mechanism			

(1) This Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time.

(2) In terms of Rule 19(2) of the SCRR read with Regulation 252 of the SEBI (ICDR) Regulations, 2018, this is an Issue for at least 25% of the post issue paid-up Equity share capital of the Company. This Issue is being made through Book Building Process, wherein allocation to the public shall be as per Regulation 252 of the SEBI (ICDR) Regulations.

(3) Subject to valid Bids being received at or above the Issue price, under subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories of Bidders at the discretion of our Company in consultation with the Book Running Lead Manager and the Designated Stock Exchange, subject to applicable laws.

(4) Our Company, in consultation with the BRLM may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis, in accordance with the SEBI (ICDR) Regulations, 2018, as amended. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Price.

(5) Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Application Forms provided that any difference between the Anchor Investor Allocation Price and the Anchor Investor Issue Price shall be payable by the Anchor Investor Pay-In Date as indicated in the CAN. For further details see “Issue

**Procedure”** beginning on page 241 of this Draft Red Herring Prospectus.

- (6) *Anchor Investors are not permitted to use the ASBA process. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, has mandated that ASBA applications in public issues shall be processed only after the application monies are blocked in the investor's bank accounts. Accordingly, Stock Exchanges shall, for all categories of investors viz. Retail, QIB, NIB and other reserved categories and also for all modes through which the applications are processed, accept the ASBA applications in their electronic book building platform only with a mandatory confirmation on the application monies blocked.*

The Bids by FPIs with certain structures as described under **“Issue Procedure - Bids by FPIs”** on pages 241 and having same PAN may be collated and identified as a single Bid in the Bidding process. The Equity Shares Allocated and Allotted to such successful Bidders (with same PAN) may be proportionately distributed. If the Bid is submitted in joint names, the Bid cum Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the depository account held in joint names. The signature of only the first Bidder would be required in the Bid cum Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders. Bidders will be required to confirm and will be deemed to have represented to our Company, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.

## ISSUE PROCEDURE

All applicants should read the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular (SEBI/HO/CFD/DIL1/CIR/P/2020/37) dated March 17, 2020 notified by SEBI and updated pursuant to the circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015 as amended and modified by the circular (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016, and SEBI Circular bearing number (SEBI/HO/CFD/DIL2/CIR/P/2018/22) dated February 15, 2018 and Circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 01, 2018, notified by SEBI (“General Information Document”) and SEBI Circular No. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019, included below under Section “PART B – 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, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the ICDR Regulations. The General Information Document is available on the websites of the Stock Exchanges and the Book Running Lead Manager. Please refer to the relevant portions of the General Information Document which are applicable to this Issue.

All Designated Intermediaries in relation to the Issue should ensure compliance with the SEBI circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015, as amended and modified by the SEBI circular (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016 and SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2018/22) dated February 15, 2018 and (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018, in relation to clarifications on streamlining the process of public issue of equity shares and convertibles as amended and modified by the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019 circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 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 08, 2019.

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 Bid size; (iii) price discovery and allocation; (iv) payment instructions for ASBA Bidders; (v) issuance of Confirmation of Allocation Note 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.

SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, has introduced an alternate payment mechanism using Unified Payments Interface (“UPI”) and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI Mechanism for RIBs applying through Designated Intermediaries was made effective along with the existing process and existing timeline of T+6 days. (“UPI Phase I”). The UPI Phase I was effective till June 30, 2019.

With effect from July 1, 2019, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, read with circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 with respect to Bids by RIBs 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 was mandated for a period of three months or launch of five main board public issues, whichever is later (“UPI Phase II”). Subsequently, however, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 extended the timeline for implementation of UPI Phase II till further notice. The final reduced timeline will be made effective using the UPI Mechanism for applications by UPI Bidders (“UPI Phase III”), and modalities of the implementation of UPI Phase III has been notified by SEBI vide its circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 and made effective on a voluntary basis for all issues opening on or after September 1, 2023 and on a mandatory basis for all issues opening on or after December 1, 2023. The Issue will be undertaken pursuant to the processes and procedures under UPI Phase II, subject to any circulars, clarification or notification issued by the SEBI from time to time. Further, SEBI, vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 and circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances.

Furthermore, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual bidders in initial public offerings (opening on or after May 1, 2022) whose application sizes are up to ₹500,000 shall use

the UPI Mechanism. This circular has come into force for initial public offers opening on or after May 1, 2022 and the provisions of this circular are deemed to form part of this Draft Red Herring Prospectus.

Subsequently, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, applications made using the ASBA facility in initial public offerings (opening on or after September 1, 2022) shall be processed only after application monies are blocked in the bank accounts of investors (all categories). The Book Running Lead Manager shall be the nodal entity for any issues arising out of public issuance process.

The BRLM shall be the nodal entity for any issues arising out of public issuance process. In terms of SEBI ICDR Regulations, the timelines and processes mentioned in SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 shall continue to form part of the agreements being signed between the intermediaries involved in the public issuance process and BRLM shall continue to coordinate with intermediaries involved in the said process.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding three Working Days from the Issue Closing Date, the Applicant shall be compensated at a uniform rate of ₹100 per day for the entire duration of delay exceeding three Working Days from the Issue Closing Date by the intermediary responsible for causing such delay in unblocking. Further, investors shall be entitled to compensation in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 as amended by SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, in case of delays in resolving investor grievances in relation to blocking/unblocking of funds.

Our Company and the Book Running Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Red Herring Prospectus. Applicants are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in the Draft Red Herring Prospectus and the Prospectus.

Further, our Company and the members of the Syndicate are not liable for any adverse occurrences consequent to the implementation of the UPI Mechanism for application in this Issue.

This section applies to all the Applicants.

### **Phased implementation of Unified Payments Interface**

SEBI has issued the UPI Circulars in relation to streamlining the process of public issue of, amongst others equity shares. Pursuant to the SEBI UPI Circulars, the UPI Mechanism has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under ASBA) for applications by RIBs through Designated Intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days 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 SEBI UPI Circulars have introduced the UPI Mechanism in three phases in the following manner:

**Phase I:** This phase was applicable from January 1, 2019, until March 31, 2019, or floating of five main board public issues, whichever was later. Subsequently, the timeline for implementation of Phase I was extended till June 30, 2019. Under this phase, an RII had the option to submit the ASBA Form with any of the Designated Intermediary and use his/her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing continued to be six Working Days.

**Phase II:** This phase has become applicable from July 1, 2019 and was to initially continue for a period of three months or floating of five main board public issues, whichever is later. Subsequently, it was decided to extend the timeline for implementation of Phase II until March 31, 2020. Further, 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 is continued till further notice. Under this phase, submission of the ASBA Form by RIIs through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds will be discontinued and will be replaced by the UPI payment mechanism. However, the time duration from public issue closure to listing continues to be six Working Days during this phase.

**Phase III:** This phase has become applicable on a voluntary basis for all issues opening on or after September 1, 2023 and

on a mandatory basis for all issues opening on or after December 1, 2023, vide SEBI circular bearing number SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 (“T+3 Notification”). In this phase, the time duration from public offer closure to listing has been reduced from six Working Days to three Working Days. The Offer shall be undertaken pursuant to the processes and procedures as notified in the T+3 Notification as applicable, subject to any circulars, clarification or notification issued by SEBI from time to time, including any circular, clarification or notification which may be issued by SEBI.

This Issue will be made under UPI Phase III of the UPI Circular.

All SCSBs offering the facility of making application in public issues shall also provide facility to make application using UPI. Our Company will be required to appoint one of the SCSBs as a sponsor bank to act as a conduit between the Stock Exchange and NPCI in order to facilitate collection of requests and/or payment instructions of the Retail Individual Bidders using the UPI Mechanism.

Pursuant to the UPI Circulars, SEBI has set out specific requirements for redressal of investor grievances for applications that have been made through the UPI Mechanism. The requirements of the UPI Circulars include, appointment of a nodal officer by the SCSB and submission of their details to SEBI, the requirement for SCSBs to send SMS alerts for the blocking and unblocking of UPI mandates, the requirement for the Registrar to submit details of cancelled, withdrawn or deleted applications, and the requirement for the bank accounts of unsuccessful Bidders to be unblocked no later than one day from the date on which the Basis of Allotment is finalized. Failure to unblock the accounts within the timeline would result in the SCSBs being penalized under the relevant securities law. Additionally, if there is any delay in the redressal of investors’ complaints, the relevant SCSB as well as the Book Running Lead Manager will be required to compensate the concerned investor.

For further details, refer to the General Information Document available on the website of the Stock Exchange and the Book Running Lead Manager.

The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks make an application as prescribed in Annexure I of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and provide a written confirmation on compliance with SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021.

Further, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, all UPI Bidders applying in public Offers where the application amount is up to ₹ 5,00,000 shall use the UPI Mechanism and shall also provide their UPI ID in the Bid cum Application Form submitted with any of the entities mentioned herein below:

- a syndicate member
- 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”)
- a depository participant (“DP”) (whose name is mentioned on the website of the stock exchange as eligible for this activity) a registrar to the issue and shares transfer agent (“RTA”) (whose name is mentioned on the website of the stock exchange as eligible for this activity)

## **BOOK BUILDING PROCEDURE:**

This Issue is being made in terms of Rule 19(2)(b) of the SCRR, through the Book Building Process in accordance with Regulation 253 of the SEBI ICDR Regulations wherein not more than 50.00% of the Offer shall be allocated on a proportionate basis to QIBs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. Further, 5.00% of the QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, and spill-over from the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15.00% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35.00% of the Issue shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price.

Under-subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories of Bidders at the discretion of our Company, in consultation with the BRLM and the Designated Stock Exchange subject to receipt of valid Bids received at or above the Issue Price. Under-

subscription, if any, in the QIB Portion, would not be allowed to be met with spill-over from any other category or a combination of categories.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchange.

***Investors should note that the Equity Shares will be allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID, the PAN and UPI ID, for RIBs Bidding in the Retail Portion using the UPI Mechanism, shall be treated as incomplete and will be rejected. Bidders will not have the option of being allotted Equity Shares in physical form. However, they may get their Equity Shares rematerialized subsequent to allotment of the Equity Shares in the Offer, subject to applicable laws.***

#### **Availability of Draft Red Herring Prospectus (DRHP)/ RHP/Prospectus and Application Forms**

The Memorandum containing the salient features of this Draft Red Herring Prospectus together with the Application Forms and copies of this Draft Red Herring Prospectus may be obtained from the Registered Office of our Company, from the Registered Office of the Book Running Lead Manager to the Offer, Registrar to the Offer as mentioned in the Application form. The application forms may also be downloaded from the website of BSE i.e.; [www.bseindia.com](http://www.bseindia.com). Applicants shall only use the specified Application Form for the purpose of making an Application in terms of this Draft Red Herring Prospectus. All the applicants shall have to apply only through the ASBA process. ASBA Applicants shall submit an Application Form either in physical or electronic form to the SCSBs authorizing blocking of funds that are available in the bank account specified in the Application Form. Applicants shall only use the specified Application Form for the purpose of making an Application in terms of this Prospectus. The Application Form shall contain space for indicating number of specified securities subscribed for in demat form.

#### **Bid cum Application Form**

Copies of the Bid cum Application Form (other than for Anchor Investors) and the abridged prospectus will be available at the offices of the BRLM, the Designated Intermediaries at Bidding Centres, and Registered Office of our Company. An electronic copy of the Bid cum Application Form will also be available for download on the websites of the BSE, at least one day prior to the Bid/Issue Opening Date. Copies of the Anchor Investor Application Form will be available at the offices of the BRLM.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Issue only through the ASBA process. ASBA Bidders must provide either (i) the bank account details and authorisation to block funds in the ASBA Form, or (ii) the UPI ID, as applicable, in the relevant space provided in the ASBA Form. The ASBA Forms that do not contain such details are liable to be rejected. Applications made by the RIIs using third party bank account or using third party linked bank account UPI ID are liable for rejection. Anchor Investors are not permitted to participate in the Offer through the ASBA process. ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the relevant Designated Intermediary, submitted at the relevant Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected.

Since the Issue is made under Phase III, ASBA Bidders may submit the ASBA Form in the manner below:

- (i) RIBs (other than the UPI Bidders using UPI Mechanism) may submit their ASBA Forms with SCSBs (physically or online, as applicable), or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.
- (ii) UPI Bidders using the UPI Mechanism, may submit their ASBA Forms with the Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.
- (iii) QIBs and NIIs may submit their ASBA Forms with SCSBs, Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs.
- (iv) ASBA Bidders are also required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Bid Amount which can be blocked by the SCSB or the Sponsor Bank(s), as applicable, at the time of submitting the Bid. In order to ensure timely information to investors, SCSBs are required to send SMS alerts to investors intimating them about Bid Amounts blocked / unblocked.



**Anchor Investors are not permitted to participate in the Offer through the ASBA process.**

For Anchor Investors, the Anchor Investor Application Form will be available at the office of the BRLM. ASBA Bidders are also required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Bid Amount which can be blocked by the SCSB.

The prescribed colour of the Bid cum Application Forms for various categories is as follows:

Category	Colour of Bid cum Application Form*
Anchor Investor**	[●]
Resident Indians including resident QIBs, Non-Institutional Bidders, Retail Individual Bidders and Eligible NRIs applying on a non-repatriation basis^	[●]
Eligible NRIs, FVCIs, FPIs and registered bilateral and multilateral institutions applying on a repatriation basis^	[●]

\*Excluding electronic Bid cum Application Forms

\*\*Electronic Bid cum Application forms for Anchor Investor shall be made available at the office of the BRLM.

Electronic Bid Cum Application Forms will also be available for download on the website of the BSE Limited ([www.bseindia.com](http://www.bseindia.com)).

Designated Intermediaries (other than SCSBs) after accepting Bid Cum Application Form submitted by RIIs (without using UPI for payment), NIIs and QIBs shall capture and upload the relevant details in the electronic bidding system of stock exchange(s) and shall submit/deliver the Bid Cum Application Forms to respective SCSBs where the Bidders has a bank account and shall not submit it to any non-SCSB Bank.

Further, for applications submitted to designated intermediaries (other than SCSBs), with use of UPI for payment, after accepting the Bid Cum Application Form, respective intermediary shall capture and upload the relevant application details, including UPI ID, in the electronic bidding system of stock exchange(s).

Bidders shall only use the specified Bid Cum Application Form for making an Application in terms of the Draft Red Herring Prospectus.

The Bid Cum Application Form shall contain information about the Bidder and the price and the number of Equity Shares that the Bidders wish to apply for. Bid Cum Application Forms downloaded and printed from the websites of the Stock Exchange shall bear a system generated unique application number. Bidders are required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Application Amount can be blocked by the SCSB or Sponsor Bank at the time of submitting the Application.

An Investor, intending to subscribe to this Issue, shall submit a completed Bid Cum Application Form to any of the following intermediaries (Collectively called – Designated Intermediaries”).

Sr. No.	Designated Intermediaries
1	An SCSB, with whom the bank account to be blocked, is maintained
2	A syndicate member (or sub-syndicate member)
3	A stock broker registered with a recognized stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) (‘broker’)
4	A depository participant (‘DP’) (whose name is mentioned on the website of the stock exchange as eligible for this activity)
5	A registrar to an issue and share transfer agent (‘RTA’) (whose name is mentioned on the website of the stock exchange as eligible for this activity)

Retails investors submitting application with any of the entities at (ii) to (v) above (hereinafter referred as “Intermediaries”), and intending to use UPI, shall also enter their UPI ID in the Bid Cum Application Form.

The aforesaid intermediary shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the Bid Cum Application Form, in physical or electronic mode, respectively.

**The upload of the details in the electronic bidding system of stock exchange will be done by:**

<b>For Applications submitted by investors to SCSB:</b>	After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange and may begin blocking funds available in the bank account specified in the form, to the extent of the application money specified.
<b>For applications submitted by investors to intermediaries other than SCSBs</b>	After accepting the Bid Cum Application Form, respective Intermediary shall capture and upload the relevant details in the electronic bidding system of the stock exchange. Post uploading, they shall forward a schedule as per prescribed format along with the Bid Cum Application Forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Issue.
<b>For applications submitted by investors to intermediaries other than SCSBs with use of UPI for payment</b>	After accepting the Bid Cum Application Form, respective intermediary shall capture and upload the relevant application details, including UPI ID, in the electronic bidding system of stock exchange. Stock exchange shall share application 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.

**Stock exchange shall validate the electronic bid details with depository's records for DP ID/Client ID and PAN, on a real-time basis and bring the inconsistencies to the notice of intermediaries concerned, for rectification and re-submission within the time specified by stock exchange.**

**Stock exchange shall allow modification of selected fields viz. DP ID/Client ID or Pan ID (Either DP ID/Client ID or Pan ID can be modified but not BOTH), Bank code and Location code, in the bid details already uploaded.**

Upon completion and submission of the Bid Cum Application Form to Application Collecting intermediaries, the Bidders are deemed to have authorized our Company to make the necessary changes in the Draft Red Herring Prospectus, without prior or subsequent notice of such changes to the Bidders.

For RIBs using UPI Mechanism, the Stock Exchange shall share the Bid details (including UPI ID) with the Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate UPI Mandate Request to RIBs for blocking of funds. The Sponsor Bank shall initiate request for blocking of funds through NPCI to RIBs, who shall accept the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. For all pending UPI Mandate Requests, the Sponsor Bank shall initiate requests for blocking of funds in the ASBA Accounts of relevant Bidders with a confirmation cut-off time of 12:00 pm on the first Working Day after the Bid/ Offer Closing Date ("Cut-Off Time"). Accordingly, RIBs should accept UPI Mandate Requests for blocking off funds prior to the Cut- Off Time and all pending UPI Mandate Requests at the Cut-Off Time shall lapse. The NPCI shall maintain an audit trail for every bid entered in the Stock Exchange bidding platform, and the liability to compensate RIBs (using the UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e. the Sponsor Bank, NPCI or the bankers to an Offer) at whose end the lifecycle of the transaction has come to a halt. The NPCI shall share the audit trail of all disputed transactions/ investor complaints to the Sponsor Banks and the bankers to an Offer. The BRLM shall also be required to obtain the audit trail from the Sponsor Banks and the Bankers to the Offer for analysing the same and fixing liability. For ensuring timely information to investors, SCSBs shall send SMS alerts for mandate block and unblock including details specified in SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and the SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022.

**WHO CAN BID?**

**Each Applicants should check whether it is eligible to apply under applicable law. Furthermore, certain categories of Applicants, such as NRIs, FPIs and FVCIs may not be allowed to apply in the Issue or to hold Equity Shares, in excess of certain limits specified under applicable law. Applicants are requested to refer to the Prospectus for more details.**

**Subject to the above, an illustrative list of Applicants is as follows:**

- a) Indian Nationals resident in India who are not incompetent to contract under the Indian Contract Act, 1872, as amended, in single or as a joint application and minors having valid demat account as per Demographic Details provided by the Depositories. Furthermore, based on the information provided by the Depositories, our Company shall have the right to accept the Applications belonging to an account for the benefit of minor (under guardianship);
- b) Hindu Undivided Families or HUFs, in the individual name of the Karta. The Applicant should specify that the application is being made in the name of the HUF in the Application Form as follows: “Name of Sole or First applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta”. Applications by HUFs would be considered at par with those from individuals;
- c) Companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in the Equity Shares under their respective constitutional and charter documents;
- d) QIBs;
- e) Mutual Funds registered with SEBI;
- f) Eligible NRIs on a repatriation basis or on a non-repatriation basis, subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this Issue;
- g) Indian Financial Institutions, scheduled commercial banks, regional rural banks, co-operative banks (subject to RBI permission, and the SEBI Regulations and other laws, as applicable);
- h) FIIs and sub-accounts of FIIs registered with SEBI, other than a sub-account which is a foreign corporate or a foreign individual under the QIB Portion;
- i) Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares;
- j) Sub-accounts of FIIs registered with SEBI, which are foreign corporate or foreign individuals only under the Non-Institutional applicant’s category;
- k) Venture Capital Funds and Alternative Investment Fund (I) registered with SEBI; State Industrial Development Corporations;
- l) Foreign Venture Capital Investors registered with the SEBI;
- m) Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts and who are authorized under their constitution to hold and invest in equity shares;
- n) Scientific and/or Industrial Research Organizations authorized to invest in equity shares;
- o) Insurance Companies registered with Insurance Regulatory and Development Authority, India;
- p) Provident Funds with minimum corpus of ₹ 25 Crores and who are authorized under their constitution to hold and invest in equity shares;
- q) Pension Funds with minimum corpus of ₹ 25 Crores and who are authorized under their constitution to
- r) hold and invest in equity shares;
- s) National Investment Fund set up by Resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India;
- t) Insurance funds set up and managed by army, navy or air force of the Union of India;
- u) Multilateral and bilateral development financial institution;
- v) Eligible QFIs;
- w) Insurance funds set up and managed by army, navy or air force of the Union of India;

- x) Insurance funds set up and managed by the Department of Posts, India;
- y) Any other person eligible to applying 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 NRIs)
4. Overseas Corporate Bodies (OCB)

**As per the existing RBI 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 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 to case basis. OCBs may invest in this Issue provided it obtains a prior approval from the RBI or prior approval from Government, as the case may be. On submission of such approval along with the Application Form, the OCB shall be eligible to be considered for share allocation.**

#### **MAXIMUM AND MINIMUM APPLICATION SIZE**

##### **1. For Retail Individual Bidders**

The Application must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, so as to ensure that the Application Price payable by the Bidder does not exceed ₹ 2,00,000. In case of revision of Applications, the Retail Individual Bidders have to ensure that the Application Price does not exceed ₹ 2,00,000.

##### **2. For other than Retail Individual Bidders (Non Institutional Applicants and QIBs):**

The Application must be for a minimum of such number of Equity Shares that the Application Amount exceeds ₹ 2,00,000 and in multiples of [●] Equity Shares thereafter. An application cannot be submitted for more than the Net Issue Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Bidder cannot withdraw its Application after the Issue Closing Date and is required to pay 100% QIB Margin upon submission of Application.

In case of revision in Applications, the Non-Institutional Bidders, who are individuals, have to ensure that the Application Amount is greater than ₹ 2,00,000 for being considered for allocation in the Non-Institutional Portion.

**Bidders are advised to ensure that any single Application form 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 DRHP.**

**The above information is given for the benefit of the Bidders. The Company and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.**

#### **METHOD OF BIDDING PROCESS**

Our Company, in consultation with the BRLM will decide the Price Band and the minimum Bid lot size for the Offer and the same shall be advertised in all editions of [●] (a widely circulated English national daily newspaper), all editions of [●] (a widely circulated Hindi national daily newspaper), [●] editions of [●] (a widely circulated Regional language daily newspaper) (Marathi being the regional language of Maharashtra, where our Registered Office is located), each with wide circulation at least two Working Days prior to the Bid / Offer Opening Date. The BRLM and the SCSBs shall accept Bids from the Bidders during the Bid / Offer Period.

- a) The Bid / Issue Period shall be for a minimum of three Working Days and shall not exceed 10 Working Days. The Bid/ Offer Period maybe extended, if required, by an additional three Working Days, subject to the total Bid/ Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid / Offer Period, if applicable, will be published in all editions of [●] (a widely circulated English national daily newspaper), all editions of [●] (a widely circulated Hindi national daily newspaper), [●] (a widely circulated Regional language daily newspaper) (Marathi being the regional language of Maharashtra, where our Registered Office is located), each with wide circulation and also by indicating the change on the website of the Book Running Lead Manager.
- b) During the Bid/ Issue Period, Retail Individual Bidders, should approach the BRLM or their authorized agents to register their Bids. The BRLM shall accept Bids from Anchor Investors and ASBA Bidders in Specified Cities and it shall have the right to vet the Bids during the Bid/ Issue Period in accordance with the terms of the Red Herring Prospectus. ASBA Bidders should approach the Designated Branches or the BRLM (for the Bids to be submitted in the Specified Cities) to register their Bids. Each Bid cum Application Form will give the Bidder the choice to Bid for up to three optional prices (for details refer to the paragraph titled “Bids at Different Price Levels and Revision of Bids” below) within the Price Band and specify the demand (i.e., the number of Equity Shares Bid for) in each option. The price and demand options submitted by the Bidder in the Bid cum Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Issue Price, the maximum number of Equity Shares Bid for by a Bidder/Applicant at or above the Issue Price will be considered for allocation/Allotment and the rest of the Bid(s), irrespective of the Bid Amount, will become automatically invalid. The Bidder / Applicant cannot Bid through another Bid cum Application Form after Bids through one Bid cum Application Form have been submitted to a BRLM or the SCSBs. Submission of a second Bid cum Application Form to either the same or to another BRLM or SCSB will be treated as multiple Bid and is liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allocation or Allotment of Equity Shares in this Offer. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed under the paragraph “Buildup of the Book and Revision of Bids”. The BRLM/the SCSBs will enter each Bid option into the electronic bidding system as a separate Bid and generate a Transaction Registration Slip, (“TRS”), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid cum Application Form.
- c) Upon receipt of the Bid cum Application Form, submitted whether in physical or electronic mode, the Designated Branch of the SCSB shall verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the Bid cum Application Form, prior to uploading such Bids with the Stock Exchange.
- d) The BRLM shall accept the Bids from the Anchor Investors during the Anchor Investor Bid/ Issue Period i.e. one working day prior to the Bid/ Issue Opening Date. Bids by QIBs under the Anchor Investor Portion and the QIB Portion shall not be considered as multiple Bids.
- e) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB shall reject such Bids and shall not upload such Bids with the Stock Exchange.
- f) Along with the Bid cum Application Form, Anchor Investors will make payment in the manner described in “Escrow Mechanism - Terms of payment and payment into the Escrow Accounts” in the section “Issue Procedure” beginning on page 241 of this Draft Red Herring Prospectus.
- g) If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Bid Amount mentioned in the Bid cum Application Form and will enter each Bid option into the electronic bidding system as a separate Bid and generate a TRS for each price and demand option. The TRS shall be furnished to the ASBA Bidder on request.
- h) The Bid Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Offer Account, or until withdrawal/failure of the Offer or until withdrawal/rejection of the Bid cum Application Form, as the case may be. Once the Basis of Allotment is finalized, the Registrar to the Offer shall send an appropriate request to the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful Bidders to the Public Offer Account. In case of withdrawal/failure of the Offer, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Offer.

#### **BIDS AT DIFFERENT PRICE LEVELS AND REVISION OF BIDS**

- a. Our Company in consultation with the BRLM, and without the prior approval of, or intimation, to the Bidders, reserves the right to revise the Price Band during the Bid/ Offer Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on the either side i.e. the floor price can move up or down to the extent of 20% of the floor price disclosed. If the revised price band decided, falls within two different price bands than the minimum application lot size shall be decided based on the price band in which the higher price falls into.
- b. Our Company in consultation with the BRLM, will finalize the Issue Price within the Price Band, without the prior

- approval of, or intimation, to the Bidders.
- c. The Bidders can Bid at any price within the Price Band. The Bidder has to Bid for the desired number of Equity Shares at a specific price. Retail Individual Bidders may Bid at the Cut-off Price. However, bidding at the Cut-off Price is prohibited for QIB and Non-Institutional Bidders and such Bids from QIB and Non-Institutional Bidders shall be rejected.
  - d. Retail Individual Bidders, who Bid at Cut-off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders shall submit the Bid cum Application Form along with a cheque/demand draft for the Bid Amount based on the Cap Price with the Syndicate. In case of ASBA Bidders (excluding Non-Institutional Bidders and QIB Bidders) bidding at Cut-off Price, the ASBA Bidders shall instruct the SCSBs to block an amount based on the Cap Price. The price of the specified securities offered to an anchor investor shall not be lower than the price offered to other Bidders.

#### **Participation by Associates /Affiliates of BRLM**

**The BRLM shall not be allowed to purchase in this Offer in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLM may subscribe the Equity Shares in the Offer, either in the QIB Category or in the Non- Institutional Category as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients.**

#### **Option to Subscribe in the Offer**

- a. As per Section 29(1) of the Companies Act 2013, allotment of Equity Shares shall be made in dematerialized form only. Investors will not have the option of getting allotment of specified securities in physical form.
- b. The Equity Shares, on allotment, shall be traded on the Stock Exchange in demat segment only.
- c. A single application from any investor shall not exceed the investment limit/minimum number of Equity Shares that can be held by him/her/it under the relevant regulations/statutory guidelines and applicable law.

#### **Information for the Bidders:**

1. Our Company and the Book Running Lead Manager shall declare the Offer Opening Date and Offer Closing Date in the Red Herring Prospectus which will be registered with the RoC and also publish the same in all editions of [●] (a widely circulated English national daily newspaper), all editions of [●] (a widely circulated Hindi national daily newspaper), all editions of [●] (a widely circulated Regional language daily newspaper) ( Marathi being the regional language of Maharashtra, where our Registered Office is located) with wide circulation. This advertisement shall be in prescribed format.
2. Our Company shall file the Red Herring Prospectus with the RoC at least 3 (three) days before the Offer Opening Date.
3. Copies of the Bid Cum Application Form along with Abridge Prospectus and copies of this Draft Red Herring Prospectus will be available with the, the Book Running Lead Manager, the Registrar to the Offer, and at the Registered Office of our Company. Electronic Bid Cum Application Forms will also be available on the websites of the Stock Exchange.
4. Any Bidder who would like to obtain this Draft Red Herring Prospectus and/ or the Bid Cum Application Form can obtain the same from our Registered Office.
5. Bidders who are interested in subscribing for the Equity Shares should approach Designated Intermediaries to register their applications.
6. Bid Cum Application Forms submitted directly to the SCSBs should bear the stamp of the SCSBs and/or the Designated Branch, or the respective Designated Intermediaries. Bid Cum Application Form submitted by Applicants whose beneficiary account is inactive shall be rejected.
7. The Bid Cum Application Form can be submitted either in physical or electronic mode, to the SCSBs with whom the ASBA Account is maintained, or other Designated Intermediaries (Other than SCSBs). SCSBs may provide the electronic mode of collecting either through an internet enabled collecting and banking facility or such other secured, electronically enabled mechanism for applying and blocking funds in the ASBA Account. The Retail Individual Applicants has to apply only through UPI Channel, they have to provide the UPI ID and validate the blocking of the funds and such Bid Cum Application Forms that do not contain such details are liable to be rejected.
8. Bidders applying directly through the SCSBs should ensure that the Bid Cum Application Form is submitted to a Designated Branch of SCSB, where the ASBA Account is maintained. Applications submitted directly to the SCSB's or other Designated Intermediaries (Other than SCSBs), the relevant SCSB, shall block an amount in the ASBA Account equal to the Application Amount specified in the Bid Cum Application Form, before entering the ASBA

application into the electronic system.

9. Except for applications by or on behalf of the Central or State Government and the Officials appointed by the courts and by investors residing in the State of Sikkim, the Bidders, or in the case of application in joint names, the first Bidder (the first name under which the beneficiary account is held), should mention his/her PAN allotted under the Income Tax Act. In accordance with the SEBI Regulations, the PAN would be the sole identification number for participating transacting in the securities market, irrespective of the amount of transaction. Any Bid Cum Application Form without PAN is liable to be rejected. The demat accounts of Bidders for whom PAN details have not been verified, excluding person resident in the State of Sikkim or persons who may be exempted from specifying their PAN for transacting in the securities market, shall be “suspended for credit” and no credit of Equity Shares pursuant to the Offer will be made into the accounts of such Bidders.
10. The Bidders may note that in case the PAN, the DP ID and Client ID mentioned in the Bid Cum Application Form and entered into the electronic collecting system of the Stock Exchange Designated Intermediaries do not match with PAN, the DP ID and Client ID available in the Depository database, the Bid Cum Application Form is liable to be rejected.

### **BIDS BY HUFs**

Bids by Hindu Undivided Families or HUFs should be made in the individual name of the Karta. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: “Name of sole or first Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta”. Bids/Applications by HUFs will be considered at par with Bids/Applications from individuals.

### **BIDS BY MUTUAL FUNDS**

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company, in consultation with the BRLM, reserve the right to reject any Bid without assigning any reason thereof.

Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

No Mutual Fund scheme shall invest more than 10.00% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10.00% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10.00% of any company’s paid-up share capital carrying voting rights.

### **BIDS BY ELIGIBLE NRIS**

Eligible NRIs or Overseas Citizen of India (OCI) may obtain copies of Bid cum Application Form from the Designated Intermediaries. Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRI Bidders bidding on a repatriation basis by using the Non-Resident Forms should authorize their SCSB (if they are Bidding directly through the SCSB) or confirm or accept the UPI Mandate Request (in case of Bidding through the UPI Mechanism) to block their Non-Resident External (“NRE”) accounts, or Foreign Currency Non-Resident (“FCNR”) Accounts, and eligible NRI Bidders bidding on a non- repatriation basis by using Resident Forms should authorize their SCSB (if they are Bidding directly through SCSB) or confirm or accept the UPI Mandate Request (in case of Bidding through the UPI Mechanism) to block their Non-Resident Ordinary (“NRO”) accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form. Participation of Eligible NRIs in the Offer shall be subject to the FEMA Rules.

In accordance with the Consolidated FDI Policy, the total holding by any individual NRI, on a repatriation basis shall not exceed 5.00% of the total paid-up equity capital on a fully diluted basis or shall not exceed 5.00% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together, on a repatriation basis, shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrant. Provided that the aggregate ceiling of 10.00% may be raised to 24.00% if a special resolution to that effect is passed by

the general body of the Indian company.

NRIs will be permitted to apply in the Offer through Channel I or Channel II (as specified in the UPI Circular). Further, subject to applicable law, NRIs may use Channel IV (as specified in the UPI Circular) to apply in the Offer, provided the UPI facility is enabled for their NRE/ NRO accounts.

NRIs applying in the Offer using UPI Mechanism are advised to enquire with the relevant bank whether their bank account is UPI linked prior to making such application.

#### **Investment by NRI or OCI on non-repatriation basis**

As per current FDI Policy 2017, schedule 4 of FEMA (Transfer or Issue of Security by Persons Resident outside India) Regulations - Purchase/ sale of Capital Instruments or convertible notes or units or contribution to the capital of an LLP by a NRI or OCI on non-repatriation basis - will be deemed to be domestic investment at par with the investment made by residents. This is further subject to remittance channel restrictions. The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended ("US Securities Act") or any other state securities laws in the United States of America and may not be sold or offered within the United States of America, or to, or for the account or benefit of "US Persons" as defined in Regulation S of the U.S. Securities Act, except pursuant to exemption from, or in a transaction not subject to, the registration requirements of US Securities Act and applicable state securities laws. Accordingly, the equity shares are being offered and sold only outside the United States of America in an offshore transaction in reliance upon Regulation S under the US Securities Act and the applicable laws of the jurisdiction where those offers and sale occur.

#### **BIDS BY FPIs**

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same multiple entities having common ownership directly or indirectly of more than 50% or common control) must be below 10% of our post-Offer Equity Share capital. Further, in terms of the FEMA NDI Rules, with effect from April 1, 2020, the aggregate FPI investment limit is the sectoral cap applicable to an Indian company as prescribed in the FEMA NDI Rules with respect to its paid-up equity capital on a fully diluted basis. Currently, the sectoral cap for retail trading of food products manufactured and/ or produced in India is 100% under automatic route.

FPIs are permitted to participate in the Offer subject to compliance with conditions and restrictions which may be specified by the Government from time to time. In case of Bids made by FPIs, a certified copy of the certificate of registration issued under the SEBI FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason. FPIs who wish to participate in the Offer are advised to use the Bid cum Application Form for Non-Residents.

In terms of the FEMA, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

The FEMA NDI Rules were enacted on October 17, 2019 in supersession of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017, except as respects things done or omitted to be done before such supersession. **FPIs are permitted to participate in the Offer subject to compliance with conditions and restrictions which may be specified by the Government from time to time.**

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only by persons registered as Category I FPIs; (ii) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs; (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iv) such other conditions as may be specified by SEBI from time to time.

An FPI issuing off-shore derivative instruments is also required to ensure that any transfer of off-shore derivative instruments issued by, or on behalf of it subject to, inter alia, the following conditions:

- (i). such offshore derivative instruments are transferred to person subject to fulfilment of SEBI FPI Regulations; and
- (ii). prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred are pre-approved by the FPI.



Bids by FPIs which utilize the multi-investment manager structure in accordance with the Operational Guidelines for Foreign Portfolio Investors and Designated Depository Participants issued to facilitate implementation of the SEBI FPI Regulations (“Operational FPI Guidelines”), submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs shall not be treated as multiple Bids (“MIM Bids”). It is hereby clarified that FPIs bearing the same PAN may be treated as multiple Bids by a Bidder and may be rejected, except for Bids from FPIs that utilize the multi-investment manager structure in accordance with the Operational FPI Guidelines (such structure referred to as “MIM Structure”). In order to ensure valid Bids, FPIs making MIM Bids using the same PAN and with different beneficiary account numbers, Client IDs and DP IDs, are required to submit a confirmation that their Bids are under the MIM Structure and indicate the name of their investment managers in such confirmation which shall be submitted along with each of their Bid cum Application Forms. In the absence of such confirmation from the relevant FPIs, such MIM Bids shall be rejected. For details of investment by FPIs, see “*Restrictions on Foreign Ownership of Indian Securities*” on page 271. Participation of FPIs in the Issue is subject to the FEMA Rules.

**AS PER THE EXTENT GUIDELINES OF THE GOVERNMENT OF INDIA, OCBS CANNOT PARTICIPATE IN THIS ISSUE.**

The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, 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.

**BIDS BY SEBI-REGISTERED AIFS, VCFs AND FVCIS**

The SEBI FVCI Regulations, SEBI VCF Regulations and the SEBI AIF Regulations prescribe, inter alia, the investment restrictions on the FVCIs, VCFs and AIFs registered with SEBI respectively. FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering. Category I AIF and Category II AIF cannot invest more than 25% of the investible funds in one Investee Company directly or through investment in the units of other AIFs. A Category III AIF cannot invest more than 10% of the investible funds in one Investee Company directly or through investment in the units of other AIFs. . However, large value funds for accredited investors of Category III AIFs may invest up to 20% of the investible funds in an investee company. AIFs which are authorized under the fund documents to invest in units of AIFs are prohibited from offering their units for subscription to other AIFs. A VCF registered as a Category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3rd of its investible funds by way of subscription to an initial public offering of a venture capital undertaking. Additionally, a VCF that has not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations (and accordingly shall not be allowed to participate in the Offer) until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

There is no reservation for Eligible NRIs, FPIs and FVCIs and all Bidders will be treated on the same basis with other categories for the purpose of allocation.

Further, the shareholding of VCFs, category I AIFs or category II AIFs and FVCIs holding Equity Shares prior to Offer, shall be locked-in for a period of at least one year from the date of purchase of such Equity Shares.

All non-resident investors should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

The Company or the BRLM will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

**BIDS BY LIMITED LIABILITY PARTNERSHIPS**

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLM, reserve the right to reject any Bid without assigning any reason thereof.

## BIDS BY BANKING COMPANIES

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLM, reserves the right to reject any Bid without assigning any reason thereof. The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended and Master Circular on Basel III Capital Regulations dated July 1, 2014, as amended, is 10.00% of the paid up share capital of the investee company, not being its subsidiary engaged in non-financial services, or 10.00% of the bank's own paid-up share capital and reserves, whichever is lower.

However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid up share capital of such investee company, subject to prior approval of the RBI if (i) the investee company is engaged in non-financial activities permitted for banking companies in terms of Section 6(1) of the Banking Regulation Act; or (ii) the additional acquisition is through restructuring of debt, or to protect the banking company's interest on loans/investments made to a company. The bank is required to submit a time bound action plan to the RBI for the disposal of such shares within a specified period. The aggregate investment by a banking company along with its subsidiaries, associates or joint ventures or entities directly or indirectly controlled by the bank; and mutual funds managed by asset management companies controlled by the bank, more than 20% of the investee company's paid up share capital engaged in non-financial services. However, this cap doesn't apply to the cases mentioned in (i) and (ii) above. The aggregate equity investments made by a banking company in all subsidiaries and other entities engaged in financial services and non-financial services, including overseas investments shall not exceed 20% of the bank's paid-up share capital and reserves.

In terms of the Master Circular on Basel III Capital Regulations dated July 1, 2014, as amended (i) a bank's investment in the capital instruments issued by banking, financial and insurance entities should not exceed 10% of its capital funds; (ii) banks should not acquire any fresh stake in a bank's equity shares, if by such acquisition, the investing bank's holding exceeds 5% of the investee bank's equity capital; (iii) equity investment by a bank in a subsidiary company, financial services company, financial institution, stock and other exchanges should not exceed 10% of the bank's paid-up share capital and reserves; (iv) equity investment by a bank in companies engaged in non-financial services activities would be subject to a limit of 10% of the investee company's paid-up share capital or 10% of the bank's paid-up share capital and reserves, whichever is less; and (v) a banking company is restricted from holding shares in any company, whether as pledgee, mortgagee or absolute owner, of an amount exceeding 30% of the paid-up share capital of that company or 30% of its own paid-up share capital and reserves, whichever is less. For details in relation to the investment limits under Master Direction – Ownership in Private Sector Banks, Directions, 2016, see “*Key Industrial Regulations and Policies of India*” beginning on page 126 of this DRHP.

## BIDS BY SCSBS

SCSBs participating in the Offer are required to comply with the terms of the circulars issued by the SEBI dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

## BIDS BY SYSTEMICALLY IMPORTANT NBFCs

In case of Bids made by Systemically Important NBFCs registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, (ii) the last audited financial statements on a standalone basis, (iii) a net worth certificate from its statutory auditors, and (iv) such other approval as may be required by the Systemically Important NBFCs are required to be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLM, reserves the right to reject any Bid without assigning any reason thereof.

Systemically Important NBFCs participating in the Offer shall comply with all applicable regulations, directions, guidelines and circulars issued by the RBI from time to time.

The investment limit for Systemically Important NBFCs shall be as prescribed by RBI from time to time.

## BIDS BY INSURANCE COMPANIES

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLM, reserves the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers are prescribed under the IRDAI Investment Regulations, based on investments in equity shares of the investee company, the entire group of the investee company and the industry sector in which the investee company operates. Insurance companies participating in the Offer are advised to refer to the IRDAI Investment Regulations 2016, as amended, which are broadly set forth below:

- a) equity shares of a company: the lower of 10%\* of the outstanding equity shares (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;
- b) the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and
- c) the industry sector in which the investee company operates: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under (a), (b) and (c) above, as the case may be.

*\*The above limit of 10% shall stand substituted as 15% of outstanding equity shares (face value) for insurance companies with investment assets of ₹ 2,50,00,000 lakhs or more and 12% of outstanding equity shares (face value) for insurers with investment assets of ₹ 50,00,000 lakhs or more but less than ₹ 2,50,00,000 lakhs.*

Insurance companies participating in this Offer shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

#### **BIDS BY PROVIDENT FUNDS/PENSION FUNDS**

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹ 2,500 lakhs, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLM, reserves the right to reject any Bid without assigning any reason thereof.

#### **BIDS BY ANCHOR INVESTORS**

Our Company in consultation with the BRLM, may consider participation by Anchor Investors in the Offer for up to 60% of the QIB Portion in accordance with the SEBI Regulations. Only QIBs as defined in Regulation 2(1)(ss) of the SEBI Regulations and not otherwise excluded pursuant to Schedule XIII of the SEBI Regulations are eligible to invest. The QIB Portion will be reduced in proportion to allocation under the Anchor Investor Portion. In the event of undersubscription in the Anchor Investor Portion, the balance Equity Shares will be added to the QIB Portion. In accordance with the SEBI Regulations, the key terms for participation in the Anchor Investor Portion are provided below.

- 1) Anchor Investor Bid cum Application Forms will be made available for the Anchor Investors at the offices of the BRLM.
- 2) The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount is at least 200 lakhs. A Bid cannot be submitted for over 60% of the QIB Portion. In case of a Mutual Fund, separate Bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application size of 200 lakhs.
- 3) One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.
- 4) Bidding for Anchor Investors will open one Working Day before the Bid/ Offer Opening Date and be completed on the same day.
- 5) Our Company in consultation with the BRLM, will finalize allocation to the Anchor Investors on a discretionary basis, provided that the minimum and maximum number of Allottees in the Anchor Investor Portion will be, as mentioned below:
  - where allocation in the Anchor Investor Portion is up to 200 lakhs, maximum of 2 (two) Anchor Investors.
  - where the allocation under the Anchor Investor Portion is more than 200 lakhs but up to 2500 lakhs, minimum of 2 (two) and maximum of 15 (fifteen) Anchor Investors, subject to a minimum Allotment of 100 lakhs per Anchor Investor; and

- where the allocation under the Anchor Investor portion is more than 2500 lakhs: (i) minimum of 5 (five) and maximum of 15 (fifteen) Anchor Investors for allocation up to 2500 lakhs; and (ii) an additional 10 Anchor Investors for every additional allocation of 2500 lakhs or part thereof in the Anchor Investor Portion; subject to a minimum Allotment of 100 lakhs per Anchor Investor.
- 6) Allocation to Anchor Investors will be completed on the Anchor Investor Bid/ Offer Period. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made will be made available in the public domain by the BRLM before the Bid/Offer Opening Date, through intimation to the Stock Exchange.
  - 7) Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.
  - 8) If the Issue Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Issue Price and the Anchor Investor Allocation Price will be payable by the Anchor Investors within 2 (two) Working Days from the Bid/ Offer Closing Date. If the Issue Price is lower than the Anchor Investor Allocation Price, Allotment to successful Anchor Investors will be at the higher price, i.e., the Anchor Investor Issue Price.
  - 9) At the end of each day of the bidding period, the demand including allocation made to anchor investors, shall be shown graphically on the bidding terminal of the syndicate member and website of stock exchange offering electronically linked transparent bidding facility, for information of public.
  - 10) Equity Shares Allotted in the Anchor Investor Portion will be locked in for a period of 30 days from the date of Allotment.
  - 11) The BRLM, our Promoters, Promoter Group or any person related to them (except for Mutual Funds sponsored by entities related to the BRLM) will not participate in the Anchor Investor Portion. The parameters for selection of Anchor Investors will be clearly identified by the BRLM and made available as part of the records of the BRLM for inspection byes.
  - 12) Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids.
  - 13) Anchor Investors are not permitted to Bid in the Offer through the ASBA process.

#### **BIDS UNDER POWER OF ATTORNEY**

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, Eligible FPIs, Mutual Funds, Systemically Important NBFCs, insurance companies, insurance funds set up by the army, navy or air force of the Union of India, insurance funds set up by the Department of Posts, India, or the National Investment Fund and provident funds with a minimum corpus of ₹ 2500 lakhs (subject to applicable law) and pension funds with a minimum corpus of ₹ 2500 lakhs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company, in consultation with the BRLM, reserves the right to accept or reject any Bid in whole or in part, in either case without assigning any reason therefor.

Our Company, in consultation with the BRLM, in their absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form subject to the terms and conditions that our Company, in consultation with the BRLM may deem fit.

#### **ISSUANCE OF A CONFIRMATION NOTE ("CAN") AND ALLOTMENT IN THE OFFER:**

1. Upon approval of the basis of allotment by the Designated Stock Exchange, the BRLM or Registrar to the Offer shall send to the SCSBs a list of their Bidders who have been allocated Equity Shares in the Offer.
2. The Registrar will then dispatch a CAN to their Bidders who have been allocated Equity Shares in the Offer. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder.

#### **Offer Procedure for Application Supported by Blocked Account (ASBA) Bidders**

In accordance with the SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Bidders have to compulsorily apply through the ASBA Process. Our Company and the Book Running Lead Manager are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. ASBA Bidders are advised to make their independent investigations and to ensure that the ASBA Bid Cum Application Form is correctly filled up, as described in this section.

The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>. For details on designated branches of SCSB collecting the Bid Cum Application Form, please refer the above-mentioned SEBI link.

#### **Terms of payment**

The entire Issue price of ₹ [●] per share is payable on application. In case of allotment of lesser number of Equity Shares than the number applied, the Registrar shall instruct the SCSBs to unblock the excess amount paid on Application to the Bidders.

SCSBs will transfer the amount as per the instruction of the Registrar to the Public Offer Account, the balance amount after transfer will be unblocked by the SCSBs.

The Bidders should note that the arrangement with Bankers to the Offer or the Registrar is not prescribed by SEBI and has been established as an arrangement between our Company, Banker to the Offer and the Registrar to the Offer to facilitate collections from the Bidders.

### **Payment mechanism**

The Bidders shall specify the bank account number in their Bid Cum Application Form and the SCSBs shall block an amount equivalent to the Application Amount in the bank account specified in the Bid Cum Application Form. The SCSB shall keep the Application Amount in the relevant bank account blocked until withdrawal/ rejection of the Application or receipt of instructions from the Registrar to unblock the Application Amount. However, Non- Retail Bidders shall neither withdraw nor lower the size of their applications at any stage. In the event of withdrawal or rejection of the Bid Cum Application Form or for unsuccessful Bid Cum Application Forms, the Registrar to the Offer shall give instructions to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Application Amount shall remain blocked in the ASBA Account until finalization of the Basis of Allotment in the Offer and consequent transfer of the Application Amount to the Public Offer Account, or until withdrawal/ failure of the Offer or until rejection of the Application by the ASBA Bidder, as the case may be.

Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors applying in a public Offer shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self-Certified Syndicate Banks (SCSBs) for the same. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, Retail Individual Investors applying in public Offer have to use UPI as a payment mechanism with Application Supported by Blocked Amount for making application.

### **Payment into Escrow Account for Anchor Investors**

All the investors other than Anchor Investors are required to bid through ASBA Mode. Anchor Investors are requested to note the following:

Our Company in consultation with the Book Running Lead Manager, in its absolute discretion, will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors.

- a) For Anchor Investors, the payment instruments for payment into the Escrow Account should be drawn in favor of In case of resident Anchor Investors: — “[●] – Anchor Account- R”
- b) In case of Non-Resident Anchor Investors: — “[●]– Anchor Account- NR”
- c) Anchor Investors should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Syndicate, the Escrow Collection Bank and the Registrar to the Offer to facilitate collections from the Anchor Investors.

### **Electronic Registration of Applications**

1. The Designated Intermediaries will register the applications using the on-line facilities of the Stock Exchange.
2. The Designated Intermediaries will undertake modification of selected fields in the application details already uploaded before 1.00 p.m. of next Working Day from the Offer Closing Date.
3. The Designated Intermediaries shall be responsible for any acts, mistakes or errors or omissions and commissions in relation to,
  - i. the applications accepted by them,
  - ii. the applications uploaded by them
  - iii. the applications accepted but not uploaded by them or
  - iv. With respect to applications by Bidders, applications accepted and uploaded by any Designated Intermediary

other than SCSBs, the Bid Cum Application Form along with relevant schedules shall be sent to the SCSBs or the Designated Branch of the relevant SCSBs for blocking of funds and they will be responsible for blocking the necessary amounts in the ASBA Accounts. In case of Application accepted and Uploaded by SCSBs, the SCSBs or the Designated Branch of the relevant SCSBs will be responsible for blocking the necessary amounts in the ASBA Accounts.

4. Neither the Book Running Lead Manager nor our Company nor the Registrar to the Offer, shall be responsible for any acts, mistakes or errors or omission and commissions in relation to,
  - (i) The applications accepted by any Designated Intermediaries
  - (ii) The applications uploaded by any Designated Intermediaries or
  - (iii) The applications accepted but not uploaded by any Designated Intermediaries
5. The Stock Exchange will Offer an electronic facility for registering applications for the Offer. This facility will be available at the terminals of Designated Intermediaries and their authorized agents during the Offer Period. The Designated Branches or agents of Designated Intermediaries can also set up facilities for off-line electronic registration of applications subject to the condition that they will subsequently upload the off-line data file into the online facilities on a regular basis. On the Offer Closing Date, the Designated Intermediaries shall upload the applications till such time as may be permitted by the Stock Exchange. This information will be available with the Book Running Lead Manager on a regular basis.
6. With respect to applications by Bidders, 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 Bid Cum Application Forms to Designated Branches of the SCSBs for blocking of funds:

S. No.	Details*
1.	Symbol
2.	Intermediary Code
3.	Location Code
4.	Application No.
5.	Category
6.	PAN
7.	DP ID
8.	Client ID
9.	Quantity
10.	Amount

*\*Stock Exchanges shall uniformly prescribe character length for each of the above-mentioned fields*

7. With respect to applications by Bidders, at the time of registering such applications, the Designated Intermediaries shall enter the following information pertaining to the Bidders into the on-line system:
  - Name of the Bidder;
  - IPO Name;
  - Bid Cum Application Form Number;
  - Investor Category;
  - PAN (of First Bidder, if more than one Bidder);
  - DP ID of the demat account of the Bidder;
  - Client Identification Number of the demat account of the Bidder;
  - Number of Equity Shares Applied for;
  - Bank Account details;
  - Locations of the Banker to the Offer or Designated Branch, as applicable, and bank code of the SCSB branch where the ASBA Account is maintained; and
  - Bank account number.
8. In case of submission of the Application by a Bidder through the Electronic Mode, the Bidder shall complete the above-mentioned details and mention the bank account number, except the Electronic ASBA Bid Cum Application Form number which shall be system generated.
9. The aforesaid Designated Intermediaries shall, at the time of receipt of application, give an acknowledgment to the investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the Bid Cum Application Form in physical as well as electronic mode. The registration of the Application by the Designated Intermediaries does not guarantee that the Equity Shares shall be allocated / allotted either by our Company.
10. Such acknowledgment will be non-negotiable and by itself will not create any obligation of any kind.

11. In case of Non-Retail Bidders and Retail Individual Bidders, applications would not be rejected except on the technical grounds as mentioned in this Draft Red Herring Prospectus. The Designated Intermediaries shall have no right to reject applications, except on technical grounds.
12. The permission given by the Stock Exchanges to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the Book Running Lead Manager are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our company; our Promoters, our management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Red Herring Prospectus, nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.
13. The Designated Intermediaries will be given time till 1.00 p.m. on the next working day after the Bid/ Offer Closing Date to verify the DP ID and Client ID uploaded in the online IPO system during the Offer Period, after which the Registrar to the Offer will receive this data from the Stock Exchange and will validate the electronic application details with Depository's records. In case no corresponding record is available with Depositories, which matches the three parameters, namely DP ID, Client ID and PAN, then such applications are liable to be rejected.
14. The SCSBs shall be given one day after the Bid/ Offer Closing Date to send confirmation of Funds blocked (Final certificate) to the Registrar to the Offer.
15. The details uploaded in the online IPO system shall be considered as final and Allotment will be based on such details for applications.

#### **Build of the Book**

- a) Bids received from various Bidders through the Designated Intermediaries may be electronically uploaded on the Bidding Platform of the Stock Exchange on a regular basis. The book gets built up at various price levels. This information may be available with the BRLM at the end of the Bid/ Offer Period.
- b) Based on the aggregate demand and price for Bids registered on the Stock Exchange Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchange may be made available at the Bidding centers during the Bid/ Offer Period.

#### **Withdrawal of Bids**

- a) RIIs can withdraw their Bids until Bid/ Offer Closing Date. In case a RII wishes to withdraw the Bid during the Bid/ Offer Period, the same can be done by submitting a request for the same to the concerned Designated Intermediary who shall do the requisite, including unblocking of the funds by the SCSB in the ASBA Account.
- b) The Registrar to the Offer shall give instruction to the SCSB for unblocking the ASBA Account on the Designated Date. QIBs and NIIs can neither withdraw nor lower the size of their Bids at any stage.

#### **Price Discovery and Allocation**

- a) Based on the demand generated at various price levels, our Company in consultation with the BRLM, shall finalize the Issue Price.
- b) The SEBI ICDR Regulations, 2018 specify the allocation or Allotment that may be made to various categories of Bidders in an Offer depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Offer size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the RHP. For details in relation to allocation, the Bidder may refer to the RHP.
- c) Under-subscription in any category (except QIB Category) is allowed to be met with spillover from any other category or combination of categories at the discretion of the Issuer and the in consultation with the BRLM and the Designated Stock Exchange and in accordance with the SEBI ICDR Regulations. Unsubscribed portion in QIB Category is not available for subscription to other categories.
- d) In case of under subscription in the Offer, spill-over to the extent of such under-subscription may be permitted from the Reserved Portion to the Offer. For allocation in the event of an undersubscription applicable to the Issuer, Bidders may refer to the RHP.
- e) In case if the Retail Individual Investor category is entitled to more than the allocated portion on proportionate basis, the category shall be allotted that higher percentage.
- f) Allocation to Anchor Investors shall be at the discretion of our Company and in consultation with the BRLM, subject to compliance with the SEBI Regulations.

**Illustration of the Book Building and Price Discovery Process: Bidders should note that this example is solely for illustrative purposes and is not specific to the Offer; it also excludes Bidding by Anchor Investors. Bidders can bid**

at any price within the Price Band. For instance, assume a Price Band of ₹ 20 to ₹ 24 per share, Offer size of 3,000 Equity Shares and receipt of five Bids from Bidders, details of which are shown in the table below. The illustrative book given below shows the demand for the Equity Shares of the Issuer at various prices and is collated from Bids received from various investors.

Bid Quantity	Bid Amount (₹)	Cumulative Quantity	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

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

*Anchor Investors are not allowed to withdraw their Bids after Anchor Investors bidding date.*

## GENERAL INSTRUCTIONS

### Do's:

1. Check if you are eligible to apply as per the terms of this Draft Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals. All should submit their Bids through the ASBA process only;
2. Ensure that you have Bid within the Price Band;
3. Read all the instructions carefully and complete the Bid cum Application Form, as the case may be, in the prescribed form;
4. Ensure that you have mentioned the correct ASBA Account number if you are not an RIB bidding using the UPI Mechanism in the Bid cum Application Form and if you are an RIB using the UPI Mechanism ensure that you have mentioned the correct UPI ID (with maximum length of 45 characters including the handle), in the Bid cum Application Form;
5. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre (except electronic Bids) within the prescribed time;
6. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB, before submitting the ASBA Form to any of the Designated Intermediaries;
7. If you are an ASBA Bidder and the first applicant is not the ASBA Account holder, ensure that the Bid cum Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;
8. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;
9. Ensure that you request for and receive a stamped acknowledgement counterfoil of the Bid cum Application Form for all your Bid options from the concerned Designated Intermediary;
10. Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. Ensure that the signature of the First Bidder is included in the Bid cum Application Forms;
11. RIBs bidding in the Offer to ensure that they shall use only their own ASBA Account or only their own bank account linked UPI ID (only for RIBs using the UPI Mechanism) to make an application in the Offer and not ASBA Account or bank account linked UPI ID of any third party;
12. Ensure that you submit the revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;
13. Ensure that you have correctly signed the authorization/undertaking box in the Bid cum Application Form or have otherwise provided an authorization to the SCSB or Sponsor Bank, as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form, as the case may be, at the time of submission of the Bid. In case of RIBs submitting their Bids and participating in the Offer through the UPI Mechanism, ensure that you authorize the UPI Mandate Request raised by the Sponsor Bank for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment;
14. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in



terms of the SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, (ii) submitted by investors who are exempt from the requirement of obtaining/specifying their PAN for transacting in the securities market, and (iii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in “active status”; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;

15. Investors to ensure that their PAN is linked with Aadhar and are in compliance with Central Board of Direct Taxes (“CBDT”) notification dated February 13, 2020 and press release dated June 25, 2021.
16. Ensure that the Demographic Details are updated, true and correct in all respects;
17. 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;
18. Ensure that the category and the investor status is indicated;
19. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust, etc., relevant documents are submitted;
20. Ensure that Bids submitted by any person resident outside India is in compliance with applicable foreign and Indian laws;
21. Ensure that the Bidder’s depository account is active, the correct DP ID, Client ID, the PAN, UPI ID, if applicable, are mentioned in their Bid cum Application Form and that the name of the Bidder, the DP ID, Client ID, the PAN and UPI ID, if applicable, entered into the online IPO system of the Stock Exchange by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID, PAN and UPI ID, if applicable, available in the Depository database;
22. Ensure that when applying in the Offer using UPI, the name of your SCSB appears in the list of SCSBs displayed on the SEBI website which are live on UPI. Further, also ensure that the name of the app and the UPI handle being used for making the application is also appearing in Annexure ‘A’ to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019;
23. RIBs who wish to revise their Bids using the UPI Mechanism, should submit the revised Bid with the Designated Intermediaries, pursuant to which RIBs should ensure acceptance of the UPI Mandate Request received from the Sponsor Bank to authorize blocking of funds equivalent to the revised Bid Amount in the RIB’s ASBA Account;
24. Ensure that you have accepted the UPI Mandate Request received from the Sponsor Bank prior to 12:00 p.m. of the Working Day immediately after the Bid/ Offer Closing Date;
25. RIBs shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorize the UPI Mandate Request using his/her UPI PIN. Upon the authorization of the mandate using his/her UPI PIN, an RIB may be deemed to have verified the attachment containing the application details of the RIB in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorized the Sponsor Bank to block the Bid Amount mentioned in the Bid Cum Application Form;
26. Ensure that while Bidding through a Designated Intermediary, the Bid cum Application Form (RIBs bidding using the UPI Mechanism) is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at [www.sebi.gov.in](http://www.sebi.gov.in)); and
27. FPIs making MIM Bids using the same PAN, and different beneficiary account numbers, Client IDs and DP IDs, are required to submit a confirmation that their Bids are under the MIM structure and indicate the name of their investment managers in such confirmation which shall be submitted along with each of their Bid cum Application Forms. In the absence of such confirmation from the relevant FPIs, such MIM Bids shall be rejected.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with. Application made using incorrect UPI handle or using a bank account of an SCSB or SCSBs which is not mentioned in the Annexure ‘A’ to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 is liable to be rejected.

**Don’ts:**

1. Do not Bid for lower than the minimum Bid size;
2. Do not Bid for a Bid Amount exceeding ₹ 200,000 (for Bids by RIBs);
3. Do not pay the Bid Amount in cheques, demand drafts or by cash, money order, postal order or by stock invest;

4. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;
5. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
6. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;
7. Do not submit the Bid for an amount more than funds available in your ASBA account.
8. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of a Bidder;
9. In case of ASBA Bidders, do not submit more than one ASBA Forms per ASBA Account;
10. If you are a RIB and are using UPI mechanism, do not submit more than one ASBA Form for each UPI ID;
11. Do not submit the ASBA Forms to any Designated Intermediary that is not authorized to collect the relevant ASBA Forms or to our Company;
12. Do not Bid on a Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;
13. Do not submit the General Index Register (GIR) number instead of the PAN;
14. Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID, if applicable, or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Offer;
15. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
16. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);
17. Do not submit a Bid/revise a Bid Amount, with a price less than the Floor Price or higher than the Cap Price;
18. Do not submit a Bid using UPI ID, if you are not a RIB;
19. Do not Bid on another ASBA Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediaries;
20. Do not Bid for Equity Shares in excess of what is specified for each category;
21. Do not fill up the Bid cum Application Form such that the number of Equity Shares Bid for, exceeds the Offer size and/or investment limit or maximum number of the Equity Shares that can be held under applicable laws or regulations or maximum amount permissible under applicable laws or regulations, or under the terms of this Draft Red Herring Prospectus;
22. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Bidder. RIBs can revise or withdraw their Bids on or before the Bid/Offer Closing Date;
23. Do not submit Bids to a Designated Intermediary at a location other than the Bidding Centres;
24. If you are an RIB which is submitting the ASBA Form with any of the Designated Intermediaries and using your UPI ID for the purpose of blocking of funds, do not use any third-party bank account or third party linked bank account UPI ID;
25. Do not Bid if you are an OCB; and
26. If you are a QIB, do not submit your Bid after 3:00 pm on the Bid/Offer Closing Date.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with. Further, in case of any pre-Offer or post-Offer related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors can reach out to the Company Secretary and Compliance Officer. For details of Company Secretary and Compliance Officer, please see the section entitled “**General Information**” and “**Our Management**” beginning on pages 53 and 137, respectively.

For contact details of the BRLM pursuant to the SEBI/HO.CFD.DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, please see the section entitled “**General Information**” beginning on page 53.

## **GROUND S FOR TECHNICAL REJECTION**

Bidders are advised to note that Bids are liable to be rejected inter alia on the following technical grounds:

1. Amount blocked does not tally with the amount payable for the Equity Shares applied for;
2. 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;
3. Bid by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
4. PAN not mentioned in the Bid cum Application Form;
5. Bids at a price less than the Floor Price and Bids at a price more than the Cap Price;

6. GIR number furnished instead of PAN;
7. Bid for lower number of Equity Shares than specified for that category of investors;
8. Bids at Cut-off Price by NIIs and QIBs;
9. Bids for number of Equity Shares which are not in multiples of Equity Shares which are not in multiples as specified in the DRHP;
10. The amounts mentioned in the Bid cum Application Form/Application Form does not tally with the amount payable for the value of the Equity Shares Bid/Applied for;
11. Bids for lower number of Equity Shares than the minimum specified for that category of investors;
12. Category not ticked;
13. Multiple Bids as defined in the DRHP;
14. In case of Bids under power of attorney or by limited companies, corporate, trust etc., where relevant documents are not submitted;
15. Bid accompanied by Stock invest/ money order/ postal order/ cash/ cheque/ demand draft/ pay order;
16. Signature of sole Bidder is missing;
17. Bid cum Application Forms not delivered by the Bidder within the time prescribed as per the Bid cum Application Forms, Bid/Issue Opening Date advertisement and the DRHP and as per the instructions in the DRHP and the Bid cum Application Forms;
18. In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Bidders (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's account number;
19. Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;
20. Bid by OCBs;
21. Bids by US persons other than in reliance on Regulation S or "qualified institutional buyers" as defined in Rule 144A under the Securities Act;
22. Inadequate funds in the bank account to block the Bid Amount specified in the Bid cum Application Form/Application Form at the time of blocking such Bid Amount in the bank account;
23. Bids not uploaded on the terminals of the Stock Exchanges;
24. Where no confirmation is received from SCSB for blocking of funds;
25. Bids by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Bid cum Application Form/Application Form. Bids not duly signed by the sole/First Bidder;
26. Bids by any persons outside India if not in compliance with applicable foreign and Indian laws;
27. Bids that do not comply with the securities laws of their respective jurisdictions are liable to be rejected;
28. Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
29. Bids by persons who are not eligible to acquire Equity Shares of the Company in terms of all applicable laws, rules, regulations, guidelines, and approvals; and
30. Details of ASBA Account not provided in the Bid cum Application form.

Further, in case of any pre-Offer or post Offer related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors shall reach out the Company Secretary and Compliance Officer. For details of the Company Secretary and Compliance Officer, see "**General Information**" beginning on page 53.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two Working Days from the Bid/ Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹ 100/- per day for the entire duration of delay exceeding three Working Days from the Bid/ Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLM shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

Further, Investors shall be entitled to compensation in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 read with SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 in case of delays in resolving investor grievances in relation to blocking/unblocking of funds.

#### **Names of entities responsible for finalising the basis of allotment in a fair and proper manner**

The authorized employees of the Designated Stock Exchange, along with the BRLM and the Registrar, shall ensure that the Basis of Allotment is finalised in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

For details of instructions in relation to the Bid cum Application Form, Bidders may refer to the relevant section the GID.

**BIDDERS SHOULD NOTE THAT IN CASE THE PAN, THE DP ID AND CLIENT ID MENTIONED IN THE BID CUM APPLICATION FORM AND ENTERED INTO THE ELECTRONIC APPLICATION SYSTEM OF THE STOCK EXCHANGES BY THE BIDS COLLECTING INTERMEDIARIES DO NOT MATCH WITH PAN, THE DP ID AND CLIENT ID AVAILABLE IN THE DEPOSITORY DATABASE, THE BID CUM APPLICATION FORM IS LIABLE TO BE REJECTED.**

### **Right to Reject Applications**

In case of QIB Bidders, the Company in consultation with the BRLM may reject Applications provided that the reasons for rejecting the same shall be provided to such Bidder in writing. In case of Non-Institutional Bidders, Retail Individual Bidders who applied, the Company has a right to reject Applications based on technical grounds.

### **BASIS OF ALLOCATION**

- a) The SEBI (ICDR) Regulations specify the allocation or Allotment that may be made to various categories of Bidders in an Offer depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Offer size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the RHP. For details in relation to allocation, the Bidder may refer to the RHP.
- b) Under-subscription in any category (except QIB Category) is allowed to be met with spill over from any other category or combination of categories at the discretion of the Issuer in consultation with the BRLM and the Designated Stock Exchange and in accordance with the SEBI (ICDR) Regulations, Unsubscribed portion in QIB Category is not available for subscription to other categories.
- c) In case of under subscription in the Offer, spill-over to the extent of such under- subscription may be permitted from the Reserved Portion to the Offer. For allocation in the event of an under-subscription applicable to the Issuer, Bidders may refer to the RHP.

### **ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT**

**The allotment of Equity Shares to Bidders other than Retail Individual Investors may be on proportionate basis. No Retail Individual Investor will be allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Investor Category and the remaining available shares, if any will be allotted on a proportionate basis. The Issuer is required to receive a minimum subscription of 90% of the Offer. However, in case the Offer is in the nature of Offer for Sale only, then minimum subscription may not be applicable.**

### **BASIS OF ALLOTMENT**

#### **a. For Retail Individual Bidders**

Bids received from the Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all the successful Retail Individual Bidders will be made at the Issue Price.

The Offer size less Allotment to Non-Institutional and QIB Bidders shall be available for allotment to Retail Individual Bidders who have Bid in the Offer at a price that is equal to or greater than the Issue Price. If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full Allotment shall be made to the Retail Individual Bidders to the extent of their valid Bids.

If the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, the Allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. For the method of proportionate Basis of Allotment, refer below.

#### **b. For Non-Institutional Bidders**

Bids received from Non-Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all successful Non- Institutional Bidders will be made at the Issue Price.

The Offer size less Allotment to QIBs and Retail shall be available for allotment to Non- Institutional Bidders who

have Bid in the Offer at a price that is equal to or greater than the Issue Price. If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full allotment shall be made to Non-Institutional Bidders to the extent of their demand.

In case the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, Allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. For the method of proportionate Basis of Allotment refer below.

#### c. Allotment To Anchor Investor (If Applicable)

Allocation of Equity Shares to Anchor Investors at the Anchor Investor Allocation Price will be at the discretion of the Issuer, in consultation with the BRLM, subject to compliance with the following requirements:

- i. not more than 60% of the QIB Portion will be allocated to Anchor Investors;
- ii. one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors; and
- iii. allocation to Anchor Investors shall be on a discretionary basis and subject to:
  - maximum number of two Anchor Investors for allocation up to ₹ 2 crores; a minimum number of two Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹ 2 crores and up to ₹ 25 crores subject to minimum allotment of ₹ 1 crores per such Anchor Investor; and
  - in case of allocation above twenty-five crore rupees; a minimum of 5 such investors and a maximum of 15 such investors for allocation up to twenty-five crore rupees and an additional 10 such investors for every additional twenty-five crore rupees or part thereof, shall be permitted, subject to a minimum allotment of one crore rupees per such investor.

#### d. For QIBs

Bids received from QIBs Bidding in the QIB Category at or above the Issue Price may be grouped together to determine the total demand under this category. The QIB Category may be available for Allotment to QIBs who have Bid at a price that is equal to or greater than the Issue Price. Allotment may be undertaken in the following manner: Allotment shall be undertaken in the following manner:

- i. In the first instance, allocation to Mutual Funds for [●]% of the QIB Portion shall be determined as follows:
  - In the event that Bids by Mutual Fund exceeds [●]% of the QIB Portion, allocation to Mutual Funds shall be done on a proportionate basis for [●]% of the QIB Portion.
  - In the event that the aggregate demand from Mutual Funds is less than [●]% of the QIB Portion then all Mutual Funds shall get full Allotment to the extent of valid Bids received above the Issue Price.
  - Equity Shares remaining unsubscribed, if any, not allocated to Mutual Funds shall be available for Allotment to all QIB Bidders as set out in (b) below;
- ii. In the second instance, allotment to all QIBs shall be determined as follows:
  - In the event of oversubscription in the QIB Portion, all QIB Bidders who have submitted Bids above the Issue Price shall be allotted Equity Shares on a proportionate basis, up to a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter for [●]% of the QIB Portion.
  - Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis, up to a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, along with other QIB Bidders.
  - Under-subscription below [●]% of the QIB Portion, if any, from Mutual Funds, would be included for allocation to the remaining QIB Bidders on a proportionate basis. The aggregate Allotment to QIB Bidders shall not be more than [●] Equity Shares.
- iii. Basis of Allotment for QIBs and NIIs in case of Over Subscribed Offer:

In the event of the Offer being Over-Subscribed, the Issuer may finalise the Basis of Allotment in consultation with the [●] (The Designated Stock Exchange). The allocation may be made in marketable lots on proportionate basis as set forth hereunder:

- a) The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the oversubscription ratio (number of Bidders in the category multiplied by number of Shares applied for).
- b) The number of Shares to be allocated to the successful Bidders will be arrived at on a proportionate basis in marketable lots (i.e. Total number of Shares applied for into the inverse of the over subscription ratio).
- c) For Bids where the proportionate allotment works out to less than [●] equity shares the allotment will be made

as follows:

- Each successful Bidder shall be allotted [●] equity shares; and
- The successful Bidder out of the total bidders for that category shall be determined by draw of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (b) above.
- d) If the proportionate allotment to a Bidder works out to a number that is not a multiple of [●] equity shares, the Bidder would be allotted Shares by rounding off to the nearest multiple of [●] equity shares subject to a minimum allotment of [●] equity shares.
- e) If the Shares allotted on a proportionate basis to any category is more than the Shares allotted to the Bidders in that category, the balance available Shares or allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful Bidder in that category, the balance shares, if any, remaining after such adjustment will be added to the category comprising Bidder applying for the minimum number of Shares. If as a result of the process of rounding off to the nearest multiple of [●] Equity Shares, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, up to 110% of the size of the Offer specified under the Capital Structure mentioned in this RHP.

**Retail Individual Investor means an investor who applies for shares of value of not more than ₹ 2,00,000/. Investors may note that in case of over subscription, allotment shall be on proportionate basis and will be finalized in consultation with BSE.**

**The Executive Director / Managing Director of BSE - the Designated Stock Exchange in addition to Book Running Lead Manager and Registrar to the Public Offer 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.**

**Flow of Events from the closure of Bidding period (T DAY) Till Allotment:**

- On T Day, RTA To validate the electronic bid details with the depository records and also reconcile the final certificates received.
- from the Sponsor Bank for UPI process and the SCSBs for ASBA and Syndicate ASBA process with the electronic bid details.
- RTA identifies cases with mismatch of account number as per bid file / FC and as per applicant's bank account linked to depository demat account and seek clarification from SCSB to identify the applications with third party account for rejection.
- Third party confirmation of applications to be completed by SCSBs on T+1 day.
- RTA prepares the list of final rejections and circulate the rejections list with BRLM(s)/ Company for their review/ comments.
- Post rejection, the RTA submits the basis of allotment with the Designated Stock Exchange (DSE).
- The DSE, post verification approves the basis and generates drawl of lots wherever applicable, through a random number generation software.
- The RTA uploads the drawl numbers in their system and generates the final list of allottees as per process mentioned below:

**Process for generating list of allottees: -**

- Instruction is given by RTA in their Software System to reverse category wise all the application numbers in the ascending order and generate the bucket /batch as per the allotment ratio. For example, if the application number is 78654321 then system reverses it to 12345687 and if the ratio of allottees to applicants in a category is 2:7 then the system will create lots of 7. If the drawl of lots provided by DSE is 3 and 5 then the system will pick every 3rd and 5th application in each of the lot of the category and these application s will be allotted the shares in that category.
- In categories where there is proportionate allotment, the Registrar will prepare the proportionate working based on the oversubscription times.
- In categories where there is undersubscription, the Registrar will do full allotment for all valid applications.
- On the basis of the above, the RTA will work out the allottees, partial allottees and non- allottees, prepare the fund transfer letters and advice the SCSBs to debit or unblock the respective accounts.

### **Issuance of Allotment Advice**

- 1) Upon approval of the Basis of Allotment by the Designated Stock Exchange.
- 2) On the basis of approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the allotment and credit of equity shares. Bidders are advised to instruct their Depository Participants to accept the Equity Shares that may be allotted to them pursuant to the Offer.  
The Book Running Lead Manager or the Registrar to the Offer will dispatch an Allotment Advice to their Bidders who have been allocated Equity Shares in the Offer. The dispatch of Allotment Advice shall be deemed valid, binding and irrevocable contract for the Allotment to such Bidder.
- 3) Issuer will make the allotment of the Equity Shares and initiate corporate action for credit of shares to the successful Bidders Depository Account within 2 working days of the Offer Closing date. The Issuer also ensures that credit of shares to the successful Bidders Depository Account is completed within one working Day from the date of allotment, after the funds are transferred from ASBA Public Offer Account to Public Offer account of the issuer.

### **Designated Date:**

On the Designated date, the SCSBs shall transfer the funds represented by allocations of the Equity Shares into Public Offer Account with the Bankers to the Offer.

The Company will Offer 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 2 working days of the Bid/ Offer Closing Date. The Company will intimate the details of allotment of securities to Depository immediately on allotment of securities under relevant provisions of the Companies Act, 2013 or other applicable provisions, if any.

### **Instructions for Completing the Bid Cum Application Form**

The Applications should be submitted on the prescribed Bid Cum Application Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Bid Cum Application Form. Applications not so made are liable to be rejected. Applications made using a third-party bank account or using third party UPI ID linked bank account are liable to be rejected. Bid Cum Application Forms should bear the stamp of the Designated Intermediaries. ASBA Bid Cum Application Forms, which do not bear the stamp of the Designated Intermediaries, will be rejected.

SEBI, vide Circular No.CIR/CFD/14/2012 dated October 04, 2012 has introduced an additional mechanism for investors to submit Bid Cum Application Forms in public issues using the stock broker (broker) network of Stock Exchanges, who may not be syndicate members in an Offer with effect from January 01, 2013. The list of Broker Centre is available on the website of BSE i.e.; [www.bseindia.com](http://www.bseindia.com). With a view to broad base the reach of Investors by substantial, enhancing the points for submission of applications, SEBI vide Circular No. CIR/CFD/POLICY CELL/11/2015 dated November 10, 2015 has permitted Registrar to the Offer and Share Transfer Agent and Depository Participants registered with SEBI to accept the Bid Cum Application Forms in Public Offer with effect from January 01, 2016. The List of RTA and DPs centres for collecting the application shall be disclosed is available on the website of BSE i.e.; [www.bseindia.com](http://www.bseindia.com).

### **Bidder's Depository Account and Bank Details**

Please note that, providing bank account details, PAN No's, Client ID and DP ID in the space provided in the Bid Cum Application Form is mandatory and applications that do not contain such details are liable to be rejected. Bidders should note that on the basis of name of the Bidders, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Bid Cum Application Form as entered into the Stock Exchange online system, the Registrar to the Offer will obtain from the Depository, the demographic details including address, Bidders bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Demographic Details would be used for all correspondence with the Bidders including mailing of the Allotment Advice. The Demographic Details given by Bidders in the Bid Cum Application Form would not be used for any other purpose by the Registrar to the Offer.

By signing the Bid Cum Application Form, the Bidder would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Offer, the required Demographic Details as available on its records.

### **Submission of Bid Cum Application Form**

All Bid Cum Application Forms duly completed shall be submitted to the Designated Intermediaries. The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the Bid Cum Application Form, in physical or electronic mode, respectively.

#### **Disposal of Application and Application Moneys and Interest in Case of Delay**

The Company shall ensure the dispatch of Allotment advice and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchange within 2 (two) working days of date of Allotment of Equity Shares.

The Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at BSE SME where the Equity Shares are proposed to be listed are taken within 3 (three) working days from Offer Closing Date.

In accordance with the Companies Act, the requirements of the Stock Exchange and the SEBI Regulations, the Company further undertakes that

1. Allotment and Listing of Equity Shares shall be made within 3 (Three) days of the Offer Closing Date;
2. Giving of Instructions for refund by unblocking of amount via ASBA not later than 3(Three) working days of the Offer Closing Date, would be ensured; and
3. If such money is not repaid within prescribed time from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of prescribed time, be liable to repay such application money, with interest as prescribed under SEBI (ICDR) Regulations, the Companies Act, 2013 and applicable law. Further, in accordance with Section 40 of the Companies Act, 2013, the Company and each officer in default may be punishable with fine and/or imprisonment in such a case.

#### **BASIS OF ALLOTMENT IN THE EVENT OF UNDER SUBSCRIPTION**

In the event of under subscription in the Offer, the obligations of the Underwriter shall get triggered in terms of the Underwriting Agreement. The Minimum subscription of 100.00% of the Offer size shall be achieved before our company proceeds to get the basis of allotment approved by the Designated Stock Exchange. The Executive Director/Managing Director of the BSE SME- the Designated Stock Exchange in addition to Book Running Lead Manager and Registrar to the Offer 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.

#### **Equity Shares in Dematerialised Form with NSDL/CDSL**

To enable all shareholders of the Company to have their shareholding in electronic form, the Company is in process of entering following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- a) We have entered into a tripartite agreement between NSDL, the Company and the Registrar to the Offer on November 15, 2024.
- b) We have entered into a tripartite agreement between CDSL, the Company and the Registrar to the Offer on November 28, 2024.
- c) The Company's Equity shares bear an ISIN No. INE1B4801017.

An Applicant applying for Equity Shares must have at least one beneficiary account with either of the Depository Participants of either NSDL or CDSL prior to making the Application.

- The Applicant must necessarily fill in the details (including the Beneficiary Account Number and Depository Participant's identification number) appearing in the Application Form or Revision Form.
- Allotment to a successful Applicant will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Applicant.
- Names in the Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.
- If incomplete or incorrect details are given under the heading 'Applicants Depository Account Details' in the Application Form or Revision Form, it is liable to be rejected.



- The Applicant is responsible for the correctness of his or her Demographic Details given in the Application Form vis à vis those with his or her Depository Participant.
- Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchange where our Equity Shares are proposed to be listed has electronic connectivity with CDSL and NSDL.
- The allotment and trading of the Equity Shares of the Company would be in dematerialized form only for all investors.

## PRE-OFFER ADVERTISEMENT

Subject to Section 30 of the Companies Act, 2013, our Company shall, after filing this Draft Red Herring Prospectus with the RoC, publish a Pre-Offer advertisement, in the form prescribed by the SEBI ICDR Regulations, in: (all editions of [●] (a widely circulated English national daily newspaper), all editions of [●] (a widely circulated Hindi national daily newspaper), all editions of [●] (a widely circulated Regional language daily newspaper) (Marathi being the regional language of Maharashtra, where our Registered Office is located).

In the Pre-Offer advertisement, we shall state the Bid/Offer Opening Date and the Bid/Offer Closing Date. The advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule X of the SEBI ICDR Regulations.

## SIGNING OF THE UNDERWRITING AGREEMENT AND THE ROC FILING

- a) Our Company and the Underwriter intend to enter into an Underwriting Agreement on or immediately after the finalization of the Issue Price but prior to the filing of Red Herring Prospectus.
- b) After signing the Underwriting Agreement, an updated Red Herring Prospectus will be filed with the RoC in accordance with applicable law.

## IMPERSONATION

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, which is reproduced below:

*“Any person who:*

- a) *makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- b) *makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- c) *otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.”*

The liability prescribed under Section 447 of the Companies Act, 2013 - any person who is found to be guilty of fraud involving an amount of at least ten lakh rupees or one per cent. of the turnover of the company, whichever is lower shall be punishable with imprisonment for a term which shall not be less than six months but which may extend to ten years (provided that where the fraud involves public interest, such term shall not be less than three 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 three times the amount involved in the fraud.

Provided further that where the fraud involves an amount less than ten lakh rupees or one per cent. of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to fifty lakh rupees or with both.

## UNDERTAKINGS BY OUR COMPANY

We undertake as follows:

1. That the complaints received in respect of the Issue shall be attended expeditiously and satisfactorily;
2. That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading on Stock Exchange where the Equity Shares are proposed to be listed within three working days from Issue Closure date.
3. That the funds required for making refunds as per the modes disclosed or dispatch of allotment advice by registered post or speed post shall be made available to the Registrar and Share Transfer Agent to the Issue by our Company;

4. Where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within two Working Days from the Issue Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
5. That our Promoter's contribution in full has already been brought in;
6. That no further Issue of Equity Shares shall be made till the Equity Shares Issued through the Prospectus are listed or until the Application monies are refunded on account of non-listing, under subscription etc.;
7. That adequate arrangement shall be made to collect all Applications Supported by Blocked Amount while finalizing the Basis of Allotment;
8. If our Company does not proceed with the Issue after the Bid/Issue Opening Date but before allotment, then the reason thereof shall be given as a public notice to be issued by our Company within two days of the Bid/Issue Closing Date. The public notice shall be issued in the same newspapers where the Pre-Issue advertisements were published. The stock exchange on which the Equity Shares are proposed to be listed shall also be informed promptly;
9. If our Company withdraws the Issue after the Bid/Issue Closing Date, our Company shall be required to file a fresh Draft Red Herring Prospectus with the Stock exchange / RoC / SEBI, in the event our Company subsequently decides to proceed with the Issue;
10. If allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded / unblocked within the time prescribed under applicable law. If there is delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the SEBI Regulations and applicable law for the delayed period.

## UTILIZATION OF OFFER PROCEEDS

Our Board certifies that:

- all monies received out of the Fresh Offer shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013;
- details of all monies utilized out of the Fresh Offer shall be disclosed, and continue to be disclosed till the time any part of the Offer proceeds remains unutilized, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilized;
- details of all unutilized monies out of the Fresh Issue, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilized monies have been invested.
- 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.
- 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.
- The Book Running Lead Manager undertakes that the complaints or comments received in respect of the Issue shall be attended by our Company expeditiously and satisfactorily.

## 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.

## RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The RBI and the concerned ministries/departments are responsible for granting approval for foreign investment.

The Government has from time to time made policy pronouncements on FDI through press notes and press releases. The Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (*earlier known as Department of Industrial Policy and Promotion*) (“**DPIIT**”), issued the FDI Policy, which is effect from October 15, 2020, which subsumes and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect prior to October 15, 2020. The FDI Policy will be valid until the DPIIT issues an updated circular. FDI in companies engaged in sectors/ activities which are not listed in the FDI Policy is permitted up to 100% of the paid up share capital of such company under the automatic route, subject to compliance with certain prescribed conditions.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company are under the automatic route under the FDI policy and transfer does not attract the provisions of the Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

As per the existing policy of the Government of India, OCBs cannot participate in this Offer.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the FEMA Non-Debt Instruments Rules, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country, will require prior approval of the Government of India, as prescribed in the FDI Policy and the FEMA Non-Debt Instruments Rules. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/purview, such subsequent change in the beneficial ownership will also require approval of the Government of India. Furthermore, on April 22, 2020, the Ministry of Finance, Government of India has also made similar amendment to the FEMA Rules. Each Bidder should seek independent legal advice about its ability to participate in the Offer. In the event such prior approval of the Government of India is required, and such approval has been obtained, the Bidder shall intimate our Company and the Registrar to the Offer in writing about such approval along with a copy thereof within the Issue Period.

The above information is given for the benefit of the Applicants. Our Company and the Book Running Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Applicants are advised to make their independent investigations and ensure that the Applications are not in violation of laws or regulations applicable to them and do not exceed the applicable limits under the laws and regulations.

## SECTION IX – MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

### 1. Table F not to apply

The regulations contained in Table F, in the first Schedule, to the Companies Act, 2013 shall not apply to this Company, but the regulations for the management of the Company and for the observance of the members thereof and their representatives shall, subject to any exercise of the statutory powers of the Company in reference to the repeal or alternation of, or addition to, its regulations by Special Resolution, as prescribed by the said Companies Act, 2013 be such as are contained in these Articles.

### 2. Interpretation

In the interpretation of these Articles, the following words and expressions shall have the following meanings assigned there under, unless repugnant to the subject matter or content thereof.

#### (a) “The Act” or “the said Act”

“The Act” means the Companies Act, 2013 or any statutory modification or re-enactment thereof for the time being in force.

#### (b) “These Articles”

“These Articles” means Articles of Association for the time being of the Company or the Articles of Association as altered from time to time by special resolution.

#### (c) “Beneficial Owner”

“Beneficial Owner” shall have the meaning assigned thereto in clause(a) of sub-section (1) of Section 2 of the Depositories Act, 1996.

#### (d) “The Company” or “this Company”

“The Company” or “this Company” means **CHATTERBOX TECHNOLOGIES LIMITED**.

#### (e) “The Directors”

“The Directors” means the Directors for the time being of the Company or as the case may be, the Directors assembled at a Board.

#### (f) “Depository”

“Depository” shall have the meaning assigned thereto by Section 2 (1)(e) of the Depositories Act, 1996.

#### (g) “Depositories Act 1996”

“Depositories Act 1996” includes any statutory modification or re- enactment thereof.

#### (h) “The Board” or the “Board of Directors”

“The Board,” or the “Board of Directors” means a meeting of the Directors duly called and constituted or as the case may be the Directors assembled at a Board, or the requisite number of Directors entitled to pass a circular resolution in accordance with the Act.

#### (i) “The Chairman”

“The Chairman” means the Chairman of the Board of Directors for the time being of the Company.

#### (j) “The Managing Director”

“The Managing Director” includes one or more persons appointed as such or any of such persons or Directors for the time being of the Company who may for the time being be the Managing Director of the Company.

#### (k) “The Office”

“The Office” means the Registered Office for the time being of the Company.

#### (l) “Capital”

“Capital” means the share capital for the time being raised or authorised to be raised, for the purpose of the

Company.

(m) “The Registrar”

“The Registrar” means the Registrar of Companies of the State in which the office of the Company is for the time being situated.

(n) “Dividend”

“Dividend” includes Bonus.

(o) “Month”

“Month” means the calendar month.

(p) “Seal”

“Seal” means the Common Seal for the time being of the Company.

(q) “In Writing and Written”

“In Writing and Written” include printing, lithography and other modes of representing or reproducing words in a visible form.

(r) “Plural Number”

Words importing the singular number also include the plural number and vice versa.

(s) “Persons”

“Persons” include corporations and firms as well as individuals.

(t) “Gender”

Words importing the masculine gender also include the feminine gender.

(u) “Securities & Exchange Board of India”

“Securities & Exchange Board of India” or SEBI means the Securities & Exchange Board of India established under Section 3 of the Securities & Exchange Board of India Act, 1992.

(v) “Year and Financial Year”

“Year” means the Calendar year and “Financial Year” shall have the meaning assigned thereto by Section 2(41) of the Act.

**Expression in the Act to bear same meaning in the Articles**

Save as aforesaid, any words or expressions defined in the Act shall, except where the subject or context forbids, bear the same meaning in these Articles.

**Marginal Notes**

The marginal notes hereto shall not affect the construction of these Articles.

**COPIES OF MEMORANDUM AND ARTICLES TO BE FURNISHED BY THE COMPANY**

3. Pursuant to Section 17 of the Act, Company shall, on being so required by a member, send to him within 7 (seven) days of the requirement and subject to the payment of a fee of Rs. 100/- or such other fee as may be specified in the Rules, a copy of each of the following documents, as in force for the time being:

- (i) The Memorandum;
- (ii) The Articles, if any;
- (iii) Every other agreement and every resolution referred to in Section 117(1), of the Act, if and in so far as they have not been embodied in the Memorandum or Articles.

**CAPITAL AND SHARES**

4. The Authorized Share Capital of the Company is as per clause V of the Memorandum of Association of the Company with all rights to the company to alter the same in any way it thinks fit.

5. The Board may, from time to time, with the sanction of the Company in a general meeting, increase the share capital by such sum to be divided into shares of such amounts as the resolution shall prescribe.

6. The shares capital shall be distinguished by its appropriate number provided that nothing in this clause shall apply to the shares held with a depository.

#### **SHARES AT THE DISPOSAL OF THE DIRECTORS**

7. Subject to the provisions of Section 62 of the Act and these Articles, the shares capital of Company for the time being shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, In proportion and on such terms and conditions and either at a premium or at par or (subject to the compliance with the provision of section 53 of the Act) at a discount and at such time as they may from time to time think fit and with the sanction of the Company in the General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up share and if so issued, shall be deemed to be fully paid shares. Provided that option or right to call of shares shall not be given to any person or persons without the sanction of the Company in General Meeting.

#### **FURTHER ISSUE OF SHARES**

8. (1) Where at any time the company proposes to increase its subscribed capital by the issue of further shares, such shares shall be offered -
- (a) to persons who at the date of the offer are holders of equity shares of the company in proportion, as nearly as circumstances admit to the paid-up share capital on those shares by sending a letter of offer subject to the following conditions, namely:-
    - (i) the offer shall be made by notice specifying the number of shares offered and limiting a time not being less than fifteen days and not exceeding thirty days from the date of the offer within which the offer, if not accepted, shall be deemed to have been declined;
    - (ii) unless the articles of the company otherwise provide, the offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person; and the notice referred to in clause (i) shall contain a statement of this right;
    - (iii) after the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of Directors may dispose of them in such manner which is not disadvantageous to the shareholders and the company;
  - (b) to employees under a scheme of employees' stock option, subject to special resolution passed by company and subject to such conditions as may be determined by central government; or
  - (c) to any persons, if it is authorized by a special resolution, whether or not those persons include the persons referred to in clause (a) or clause (b), either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to such conditions as may be determined by central government.
- (2) The notice referred to in sub-clause (i) of clause (1) (a) shall be dispatched through registered post or speed post or through electronic mode to all the existing shareholders at least three days before the opening of the issue.
- (3) Nothing in this section shall apply to the increase of the subscribed capital of a company caused by the exercise of an option as a term attached to the debentures issued or loan raised by the company to convert such debentures or loans into shares in the company.

The terms of issue of such debentures or loan containing such an option have been approved before the issue of such debentures or the raising of loan by a special resolution passed by the company in general meeting.

#### **POWER TO OFFER SHARES/OPTIONS TO ACQUIRE SHARES**

9. (i) Without prejudice to the generality of the powers of the Board under any other Article of these Articles of Association, the Board or any Committee thereof duly constituted may, subject to the applicable provisions of the Act, rules notified there under and any other applicable laws, rules and regulations, at any point of time, offer existing or further Shares (consequent to increase of share capital) of the Company, or options to acquire such Shares (consequent to increase of share capital) of the Company,

or options to acquire such Shares at any point of time, whether such options are granted by way of warrants or in any other manner (subject to such consents and permissions as may be required) to its employees, including Directors (whether whole-time or not), whether at par, at discount, in case of shares issued as sweat equity shares as per section 54 of the Act or at a premium, for cash or for consideration other than cash, or any combination thereof as may be permitted by law for the time being in force.

- (ii) In addition to the powers of the Board under Article 9(i), the Board may also allot the Shares referred to in Article 9(i) to any trust, whose principal objects would inter alia include further transferring such Shares to the Company's employees including by way of options, as referred to in Article 9(i) in accordance with the directions of the Board or any Committee thereof duly constituted for this purpose. The Board may make such provision of moneys for the purposes of such trust, as it deems fit.

The Board, or any Committee thereof duly authorized for this purpose, may do all such acts, deeds, things, etc. as may be necessary or expedient for the purposes of achieving the objectives set out in Articles 9(i) and (ii) above.

#### **REDEEMABLE PREFERENCE SHARES**

10. Subject to the provisions of Section 55 of the Act, the Company shall have the power to issue preference shares which are or at the option of the Company, are liable to be redeemed and the resolution authorizing such issues shall prescribe the manners, terms and conditions of redemption.

#### **PROVISIONS APPLICABLE IN CASE OF REDEEMABLE SHARES**

11. On the issue of redeemable preference shares under the provisions of Article 10 hereof, the following provisions shall take effect.
- (a) No such shares shall be redeemed except out of the profits of the company which would otherwise be available for dividend or out of the proceeds of a fresh issue of shares made for the purposes of such redemption;
- (b) No such shares shall be redeemed unless they are fully paid;
- (c) where such shares are proposed to be redeemed out of the profits of the company, there shall, out of such profits, be transferred, a sum equal to the nominal amount of the shares to be redeemed, to a reserve, to be called the Capital Redemption Reserve Account and the provisions of this Act relating to reduction of share capital of a company shall apply as if the Capital Redemption Reserve Account were paid-up share capital of the company.

#### **NEW CAPITAL SAME AS ORIGINAL CAPITAL**

12. Except so far as otherwise provided by the conditions of issue or by these Articles any capital raised by the creation of new shares shall be considered part of the initial 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.

#### **RESTRICTIONS ON PURCHASE BY COMPANY OR GIVING OF LOANS BY IT FOR PURCHASE OF ITS SHARES**

13. (1) The company shall not have power to buy its own shares unless the consequent reduction of share capital is effected in accordance with provisions of the Companies Act, 2013 or other applicable provisions (if any) of the Act as applicable at the time of application.

This Article is not to delegate any power which the Company would have if it were omitted.

- (2) 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, a purchase or subscription made or to be made, by any person of or for any shares in the company or in its holding company.

(3) Nothing in sub-clause (2) shall apply to –

- (a) the company in accordance with any scheme approved by company through special resolution and in accordance with such requirements as may be determined by central government, for the purchase of, or subscription for, fully paid up shares in the company or its holding company, if the purchase of, or the subscription or, the shares held by trustees for the benefit of the employees or such shares held by the employee of the company;
- (b) the giving of loans by a company to persons in the employment of the company other than its directors or key managerial personnel, for an amount not exceeding their salary or wages for a period of six months with a view to enabling them to purchase or subscribe for fully paid-up shares in the company or its holding company to be held by them by way of beneficial ownership:

Provided that disclosures in respect of voting rights not exercised directly by the employees in respect of shares to which the scheme relates shall be made in the Board's report in such manner as may be determined by central government.

### **REDUCTION OF CAPITAL**

14. The Company may, subject to the provisions of the Companies Act, 2013 or other applicable provisions (if any) of the Act, as applicable at the time of application from time to time by special resolution, reduce its capital and any capital redemption reserve account or any share premium account in any manner for the time being authorized by law and in particular, capital may be paid off on the footing that it may be called up again or otherwise.

### **CONSOLIDATION AND DIVISION OF CAPITAL**

15. The Company may in general meeting alter the conditions of its Memorandum of Association as follows:
- (a) Consolidate and divide all or any of its share capital into shares of a larger amount than its existing shares but no consolidation and division which results in changes in the voting percentage of shareholders shall take effect unless it is approved by the Tribunal on an application made in the prescribed manner;
  - (b) Sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the memorandum, so, however, that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived;
  - (c) Cancel shares which at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled. The cancellation of shares in pursuance of this sub-clause, shall not be deemed to be reduction of share capital within the meaning of the Act.

### **SALE OF FRACTIONAL SHARES**

16. If and whenever as a result of issue of new shares of any consolidation or sub-division of shares any share become held by members in fractions, the Board shall, subject to the provisions of the Act and the Articles and to the directions of the Company in General Meeting, if any, sell those shares which members hold in fractions for the best price reasonably obtainable and shall pay and distribute to and amongst the members entitled to such shares in due proportions the net proceeds of the sale thereof. For the purpose of giving effect to any such sale, the Board may authorise any person to transfer the shares and the purchaser shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings with reference to the sale.

### **MODIFICATION OF RIGHTS**

17. Whenever the capital, by reason of the issue of Preference Shares or otherwise, is divided into classes of shares all or any of the rights and privileges attached to each class may subject to the provisions of the Companies Act, 2013 be modified, commuted, affected or abrogated, or dealt with by Agreement between the Company and any



person purporting to contract on behalf of that class, provided such agreement is ratified in writing by holders of at least three-fourths in nominal value of the issued shares of the class or is confirmed by a Special Resolution passed at a separate general meeting of the holders of shares of the class

#### **ISSUE OF FURTHER SHARES ON PARI PASSU BASIS**

18. The rights conferred upon the holders of shares of any class issued with preferred or other rights, 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 *pari passu* therewith.

#### **NO ISSUE WITH DISPROPORTIONATE RIGHTS**

19. The Company shall not issue any shares (not being preference shares) which carry voting right or rights in the Company as to dividend, capital or otherwise which are disproportionate to the rights attached to the holders of other shares (not being preference shares).

#### **POWER OF COMPANY TO DEMATERIALIZE AND REMATERIALIZE**

- (a) “Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialize its existing shares, debentures and other securities and rematerialize its such shares, debentures and other securities held by it with the Depository and/ or offer its fresh shares and debentures and other securities in a dematerialized form pursuant to the Depositories Act, 1996 and the Rules framed there under if any”

#### **DEMATERIALIZATION OF SECURITIES**

- (b) Either on the Company or on the investor exercising an option to hold his securities with a depository in a dematerialized form, the Company shall enter into an agreement with the depository to enable the investor to dematerialize the Securities, in which event the rights and obligations of the parties concerned shall be governed by the Depositories Act.

#### **INTIMATION TO DEPOSITORY**

- (c) “Notwithstanding anything contained in this Article, where securities are dealt with in a Depository, the Company shall intimate the details of allotment of securities to Depository immediately on allotment of such Securities”

#### **OPTION FOR INVESTORS**

- (d) “Every person subscribing to or holding securities of the Company shall have the option to receive security certificates or to hold the securities with a Depository. A beneficial owner of any security can at any time opt out of a Depository, if permitted by law, in the manner provided by the Depositories Act, 1996 and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required certificates of securities.”

#### **THE COMPANY TO RECOGNIZE UNDER DEPOSITORIES ACT, INTEREST IN THE SECURITIES OTHER THAN THAT OF REGISTERED HOLDER**

- (e) “The Company or the investor may exercise an option to issue, deal in, hold the securities (including shares) with Depository in electronic form and the certificates in respect thereof shall be, dematerialized in which event the rights and obligations of the parties concerned and matters connected therewith or incidental thereto shall be governed by the provisions of the Depositories Act, 1996.”

#### **SECURITIES IN DEPOSITORIES AND BENEFICIAL OWNERS**

- (f) “All Securities held by a Depository shall be dematerialized and be in 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.”

#### **RIGHTS OF DEPOSITORIES AND BENEFICIAL OWNERS**

- (g) (i) Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of security on behalf of the beneficial owner.
- (ii) Save as otherwise provided in (a) above, the depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.
- (iii) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of the securities which are held by a depository.

#### **DEPOSITORY TO FURNISH INFORMATION**

- (h) Every Depository shall furnish to the Company information about the transfer of Securities in the name of the Beneficial Owner at such intervals and in such manner as may be specified by the bye-laws and the Company in that behalf.

#### **SHARES AND CERTIFICATES REGISTER AND INDEX OF MEMBERS**

20. The Company shall cause to be kept at its Registered Office or at such other place as may be decided, Register and Index of Members in accordance with Sections 88 and other applicable provisions of the Act and the Depositories Act, 1996 with details of shares held in physical and dematerialized forms in any media as may be permitted by law including in any form of electronic media.

The Register and Index of beneficial owners maintained by a Depository under Section 11 of the Depositories Act, 1996 shall also be deemed to be the Register and Index of Members for the purpose of this Act. The Company shall have the power to keep in any state or country outside India, a Register of Members for the residents in that state or country.

#### **SHARES TO BE NUMBERED PROGRESSIVELY**

21. The shares in the capital shall be numbered progressively according to their several denominations and except in the manner herein before mentioned, no share shall be sub-divided.

#### **DIRECTORS MAY ALLOT SHARES FULLY PAID-UP**

22. Subject to the provisions of the Act and of these Articles, the Board may allot and issue shares in the capital of the Company as payment or part payment for any property sold or transferred, goods or machinery supplied or for services rendered to the company either in or about the formation or promotion of the Company or the conduct of its business and any shares which may be so allotted may be issued as fully paid-up shares and if so issued shall be deemed to be fully paid up shares.

#### **APPLICATION OF PREMIUM RECEIVED ON SHARES**

- 23.
- 1) Where a company issues shares at a premium, whether for cash or otherwise, a sum equal to aggregate amount of the premium received on those shares shall be transferred to a “securities premium account” and the provisions of this Act relating to reduction of share capital of a company shall, except as provided in this article, apply as if the securities premium account were the paid-up share capital of the company.
  - 2) Notwithstanding anything contained in clause (1), the securities premium account may be applied by the company –
    - (a) towards the issue of unissued shares of the company to the members of the company as fully paid bonus shares;
    - (b) in writing off the preliminary expenses of the company;
    - (c) in writing off the expenses of, or the commission paid or discount allowed on, any issue of shares or debentures of the company;

- (d) in providing for the premium payable on the redemption of any redeemable preference
- (e) shares or of any debentures of the company; or
- (f) for the purchase of its own shares or other securities under section 68.

#### **ACCEPTANCE OF SHARES**

24. Subject to the provisions of these Articles, any application signed by or on behalf of an applicant for shares in the Company followed by an allotment of any shares therein, shall be an acceptance of shares within the meaning of these articles and every person who thus or otherwise accept any shares and whose name is on the Register of Members shall, for the purposes of these Articles, be a member, provided that no share shall be applied for or allotted to a minor, insolvent or person of unsound mind.

#### **LIABILITY OF MEMBERS**

25. Every member or his heir, executors or administrators shall pay to the Company the proportion of the capital represented by his share or shares which may, for the time being remain unpaid thereon in such amounts, at such time or times and in such manner as the Board of Directors shall, from time to time, in accordance with the Company's regulations require or fix for the payment thereof.

#### **LIMITATION OF TIME FOR ISSUE OF CERTIFICATE**

26. The Company shall, unless the conditions of issue otherwise provide, within three months after the allotment of any of its shares or debentures and within one month after the application for the transfer of any such shares or debentures, complete and have ready for delivery the certificates of all shares and debentures allotted or transferred.

Every members shall be entitled, without payment, to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as the Directors may from 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 three months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within one month of the receipt of application of registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares as the case may be. Every certificate of shares shall be under the seal of the Company and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid up thereon and shall be in such form as the directors may prescribe or approve, provided that in respect of a share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate and delivery of a certificate to all such holder.

#### **ISSUE OF NEW CERTIFICATE IN PLACE OF DEFACED, LOST OR DESTROYED**

27. If any certificate be worn out, defaced mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, being given, an a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every Certificates under the Article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rs.20/- for each certificate) as the Directors shall prescribe. Provided that no fees shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.

Provided that notwithstanding what is stated above the Directors shall comply with such Rules or Regulation or requirements of any Stock Exchange or the Rules made under the Act or the rules made under Securities Contracts (Regulation) Act, 1956 or any other Act, or rules applicable in this behalf.

The provisions of this Article shall mutatis mutandis apply to debentures of the Company.

#### **RIGHT TO OBTAIN COPIES OF AND INSPECT TRUST DEED**

28. A copy of any Trust Deed for securing any issue of debentures shall be forwarded to the holders of any such debentures or any member of the Company at his request and within seven days of the making thereof on payment not exceeding Rs.10/- (Rupees Ten) per page.

The Trust Deed referred to in item (i) above also be open to inspection by any member or debenture holder of the Company in the same manner, to the same extent, and on payment of these same fees, as if it were the Register of members of the Company.

#### **JOINT ALLOTTEES OF HOLDERS**

29. Any two or more joint allottees or holders of shares shall, for the purpose of Articles, be treated as a single member and the certificate for any share, which may be the subject of joint ownership, may be delivered to any one of such joint owners on behalf of all of them.

#### **COMPANY NOT BOUND TO RECOGNISE ANY INTEREST IN SHARE OTHER THAN THAT OF REGISTERED HOLDER**

- 30.
- (i) The Company shall not be bound to recognize any equitable, contingent, future or partial interest in any share or (except only as is by these presents, otherwise expressly provided) any right in respect of a share other than an absolute right there to, in accordance with these presents in the person from time to time registered as the holder thereof, but the Board shall be at liberty at its sole discretion to register any share in the joint names of two or more persons or survivors of them.
  - (ii) 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 as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or as by Law required) be bound to recognize any benami trust or equitable, contingent, future, partial or other claim or claims or right to or interest in such share on the part of any other person whether or not it shall have express or implied notice thereof.

#### **WHO MAY HOLD SHARES**

31. Shares may be registered in the name of an incorporated Company or other body corporate but not in the name of a minor or in the name of a person of unsound mind or in the name of any firm or partnership.
32. The Directors shall have the power to offer, issue and allot Equity Shares in or Debentures (whether fully/partly convertible or not into Equity Shares) of the Company with or without Equity Warrants to such of the Officers, Employees, Workers of the Company or of its Subsidiary and / or Associate Companies or Managing and Whole Time Directors of the Company (hereinafter in this Article collectively referred to as “the Employees”) as may be selected by them or by the trustees of such trust as may be set up for the benefit of the Employees in accordance with the terms and conditions of the Scheme, trust plan or proposal that may be formulated, created, instituted or set up by the Board of Directors or the Committee thereof in that behalf on such terms and conditions as the Board may in its discretion deem fit.

#### **SWEAT EQUITY**

33. Subject to the provisions of the Act (including any statutory modification or re-enactment thereof, for the time being in force), shares of the Company may be issued at a discount or for consideration other than cash to Directors or employees who provide know-how to the Company or create an intellectual property right or other value addition.

#### **DECLARATIONSIN RESPECT OF BENEFICIAL INTEREST IN ANY SHARES**

- 34.
- (1) In pursuance of section 89 of the act, where the name of a person is entered in the register of members of a company as the holder of shares in that company but who does not hold the beneficial interest in such shares, such person shall make a declaration (within such time and in such form as may be determined by Central Govt.) to the company specifying the name and other particulars of the person who holds the beneficial interest in such shares.
  - (2) Every person who holds or acquires a beneficial interest in share of the company shall make a declaration to the company specifying the nature of his interest, particulars of the person in whose name the shares stand registered in the books of the company and such other particulars (as may be determined by Central Govt.)
  - (3) Where any change occurs in the beneficial interest in such shares, the person referred to in clause (1) and the

beneficial owner specified in clause (2) shall, within a period of thirty days from the date of such change, make a declaration to the company in such form and containing such particulars (as may be determined by Central Govt.)

- (4) The Company has be bound to follows the rules as may be made by the Central Government to provide for the manner of holding and disclosing beneficial interest and beneficial ownership under this section.
- (5) Where any declaration under this article is made to a company, the company shall make a note of such declaration in the register concerned and shall file, within thirty days from the date of receipt of declaration by it, a return in the prescribed form with the Registrar in respect of such declaration with such fees or additional fees as may be determined by central government, within the time specified under section 403.
- (6) No right in relation to any share in respect of which a declaration is required to be made under this article but not made by the beneficial owner, shall be enforceable by him or by any person claiming through him.
- (7) Nothing in this article shall be deemed to prejudice the obligation of a company to pay dividend to its members under this Act and the said obligation shall, on such payment, stand discharged.

#### **FUNDS OF COMPANY NOT TO BE APPLIED IN PURCHASE OF SHARES OF THE COMPANY**

35. No funds of the Company shall except as provided by Section 67 of the Act, be employed in the purchase of its own shares, unless the consequent reduction of capital is effected and sanction in pursuance of provisions of the Companies Act, 2013 as may be applicable at the time of application and these Articles or in giving either directly or indirectly and whether by means of a loan, guarantee, the provision of security or otherwise, any financial assistance for the purpose of or in connection with a purchase or subscription made or to be made by any person of or for any Share in the Company in its holding Company.

#### **ISSUE OF SHARES WITHOUT VOTING RIGHTS**

36. In the event it is permitted by law to issue shares without voting rights attached to them, the Directors may issue such share upon such terms and conditions and with such rights and privileges annexed thereto as through fit and as may be permitted by law.

#### **SECTIONS 45 OF ACT NOT TO APPLY**

37. Notwithstanding anything to the contrary contained in the Articles,
  - (i) Section 45 of the Act shall not apply to the Shares held with a Depository;

#### **TRUST RECOGNIZED**

38. Except as ordered, by a Court of competent jurisdiction or as by law required, the Company shall not be bound to recognize, even when having notice thereof, any equitable, contingent, future or partial interest in any Share, or (except only as is by these Articles otherwise expressly provided) any right in respect of a Share other than an absolute right thereto, in accordance with these Articles, in the person from time to time registered as holder thereof but the Board shall be at liberty at their sole discretion to register any Share in the joint names of any two or more persons (but not exceeding 4 persons) or the survivor or survivors of them.

Shares may be registered in the name of an incorporated Company or other body corporate but not in the name of a minor or of a person of unsound mind (except in case where they are fully paid) or in the name of any firm or partnership.

#### **REGISTRATION OF CHARGES**

39. The provisions of the Act relating to registration of charges shall be complied with.

In case of a charge created out of India and comprising solely property situated outside India, the provisions of Section 77 of the Act shall also be complied with.

Where a charge is created in India but comprised property outside India, the instrument, creating or purporting to create the charge under Section 77 of the Act or a copy thereof verified in the prescribed manner, may be filed for registration, notwithstanding that further proceedings may be necessary to make the charge valid or effectual according to the law of the country in which the property is situated, as provided by Section 77 of the Act.

Where any charge on any property of the Company required to be registered to be registered under Section 77 of the Act has been so registered, any person acquiring such property or any part thereof or any share or interest therein shall be deemed to have notice of the charge as from the date of such registration.

Any creditors or member of the Company and any other person shall have the right to inspect copies of instruments creating charges and the Company's Register of Charges in accordance with and subject to the provisions of Section 85 of the Act.

## **UNDERWRITING AND BROKERAGE**

### **COMMISSION MAY BE PAID**

40. A company may pay commission to any person in connection with the subscription or procurement of subscription to its securities, whether absolute or conditional, subject to the following conditions, namely: -
- (a) The payment of such commission shall be authorized in the company's articles of association;
  - (b) The commission may be paid out of proceeds of the issue or the profit of the company or both;
  - (c) The rate of commission paid or agreed to be paid shall not exceed, in case of shares, five percent of the price at which the shares are issued or a rate authorised by the articles, whichever is less, and in case of debentures, shall not exceed two and a half per cent of the price at which the debentures are issued, or as specified in the company's articles, whichever is less;
  - (d) The Draft Prospectus of the company shall disclose—
    - (i) The name of the underwriters;
    - (ii) The rate and amount of the commission payable to the underwriter; and
    - (iii) The number of securities which is to be underwritten or subscribed by the underwriter absolutely or conditionally.
  - (e) There shall not be paid commission to any underwriter on securities which are not offered to the public for subscription;
  - (f) A copy of the contract for the payment of commission is delivered to the Registrar at the time of delivery of the Draft Prospectus for registration.

### **BROKERAGE MAY BE PAID**

41. The Company may pay a reasonable sum for brokerage on any issue of shares and debentures.

## **CALLS ON SHARES**

### **DIRECTORS MAY MAKE CALLS**

42. The Board of Directors may from time to time by a resolution passed at meeting of the Board (and not by circular resolution) make such call as it may think fit upon the members in respect of all moneys unpaid on the shares held by them respectively (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at a fixed time and each member shall pay the amount of every call so made on him to the persons and at the times and place appointed by the Board of Directors. A call may be made payable by instalments.

### **CALLS ON SHARES OF THE SAME CLASS TO BE MADE ON UNIFORM BASIS**

43. Where any calls for further share 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 the same class.

## **NOTICE OF CALLS**

44. One month notice at least of every call payable otherwise than on allotment shall be given by the Company specifying the time and place of payment and to whom such call shall be paid.

#### **CALLS TO DATE FROM RESOLUTION**

45. A call shall be deemed to have been made at the time when the resolution of the Board authorizing such call was passed at a meeting of the Board of Directors and may be made payable by the members on the Register of Members on a subsequent date to be fixed by the Board.

#### **DIRECTORS MAY EXTEND TIME**

46. The Board of Directors may, from time to time, at its discretion, extend the time fixed for the payment of any call and may extend such times as to all or any of the members, who from residence at a distance or other cause, the Board of Directors may deem fairly entitled to such extension save as a matter of grace and favour.

#### **CALL TO CARRY INTEREST AFTER DUE DATE**

47. If any member fails to pay a call due from him on the day appointed for payment thereof or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board of Directors, but nothing in this Article shall render it compulsory upon the Board of Directors to demand or recover any interest from any such member.

#### **PROOF ON TRIAL IN SUIT FOR MONEY DUE ON SHARES**

48. Subject to the provisions of the Act and these Articles, on the trial or hearing of any action or suit brought by the Company against any member or his representatives for the recovery of any debt or money claimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of the member in respect of whose shares the money is sought to be recovered, appears, entered on the register of members as the holder at or subsequent to the date at which the money sought to be recovered is alleged to have become due, of the shares in respect of which such money is sought to be received, that the resolution making the call is duly recorded in the minute book and that notice of such call was duly given to the member or his representatives sued in pursuance of these presents and it shall not be necessary to prove the appointment of the Directors who made such call, nor that a quorum was present at the Board at which any call was made, nor that the meeting at which any call was made was duly convened or constituted nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.

#### **PAYMENT IN ANTICIPATION OF CALL MAY CARRY INTEREST**

49. The Directors may, if they think fit, subject to the provisions of Section 50 of the Act, agree to and receive from any member willing to advance the same whole or any part of the moneys due upon the shares held by him beyond the sums actually called for, and upon the amount so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the Company may pay interest at such rate not exceeding 12% unless the company in general meeting shall otherwise direct, as the member paying such sum in advance and the Directors agree upon provided that money paid in advance of calls shall not confer a right to participate in profits or dividend. The Directors may at any time repay the amount so advanced. The members shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment, become presently payable. The provisions of these Articles shall mutatis mutandis apply to the calls on debenture of the Company.

#### **FORFEITURE, SURRENDER AND LIEN**

##### **IF CALL OR INSTALLMENT NOT PAID, NOTICE MAY BE GIVEN**

50. If any member fails to pay any call or installment of a call in respect of any shares on or before the day appointed for the payment of the same, the Board may at any time hereafter during such time as the call or installment remains unpaid, serve a notice on such member or on the person (if any) entitled to the share by transmission requiring him to pay the same together with any interest that may have accrued and all expenses that may have

been incurred by the Company by reason of such non-payment.

#### **FORM OF NOTICE**

51. The notice shall name a day (not being earlier than the expiry of fourteen days from the date of service of the notice) and a place or places on and at which such money, including the call or installment and such interest and expenses as aforesaid is to be paid. The notice shall also state that in the event of non-payment on or before the time and at the place appointed, the shares in respect of which the calls was made or installment was payable, will be liable to be forfeited.

#### **IN DEFAULT TO PAYMENT SHARES TO BE FORFEITED**

52. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may at any time thereafter, before all the calls or installments and interest and expenses due in respect thereof are paid, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends and bonus declared in respect of the forfeited shares and not actually paid before forfeiture but provided that there shall be no forfeiture of unclaimed dividends before the claim becomes barred by law.

#### **NOTICE OF FORFEITURE**

53. When any share shall have been so forfeited, notice of the resolution shall be given to the member in whose name it stood immediately prior to the forfeiture and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register of Members provided however that the failure to give the notice of the shares having been forfeited will not in any way invalidate the forfeiture.

#### **FORFEITED SHARES TO BECOME PROPERTY OF THE COMPANY**

54. Any shares so forfeited shall be deemed to be the property of the Company and the Board may sell, re-allot otherwise dispose of the same in such manner as it thinks fit.

#### **POWER TO ANNUL FORFEITURE**

55. The Board may, at any time before any share so forfeited shall have been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof as a matter of grace and favour but not as of right upon such terms and conditions as it may think fit.

#### **ARREARS TO BE PAID NOTWITHSTANDING FORFEITURE**

56. 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 and expenses owing upon or in respect of such shares at the time of the forfeiture together with interest thereon from the time of forfeiture until payment at such rate not exceeding fifteen per cent per annum as the Board may determine and the Board may enforce the payment of such moneys or any part thereof if it thinks fit, but shall not be under any obligation so to do.

#### **EFFECT OF FORFEITURE**

57. The forfeiture of a share shall involve the extinction of all interest in and also of all claims and demands against the Company, in respect of the share and all other rights, incidental to the share except only such of those rights as are by these Articles expressly saved.

#### **PROCEEDS HOW TO BE APPLIED**

58. The net proceeds of any such sale shall be applied in or towards satisfaction of the said debts, liabilities or engagements and the residue (if any) paid to such member, his heirs, executors, administrators or assigns.

#### **DECLARATION OF FORFEITURE**

59. (a) A duly verified declaration in writing that the declarant is a Director, the Managing Director of the Manager of the Secretary of the Company, and that share in the Company has been duly forfeited in



accordance with these Articles, on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the Share.

- (b) The Company may receive the consideration, if any, given for the Share on any sale, re-allotment or other disposal thereof any may execute a transfer of the Share in favour of the person to whom the Share is sold or disposed off.
- (c) The person to whom such Share is sold, re-allotted or disposed of shall thereupon be registered as the holder of the Share.
- (d) Any such purchaser or allottee shall not (unless by express agreement) be liable to pay calls, amounts, installments, interests and expenses owing to the Company prior to such purchase or allotment nor shall be entitled (unless by express agreement) to any of the dividends, interests or bonuses accrued or which might have accrued upon the Share before the time of completing such purchase or before such allotment.
- (e) Such purchaser or allottee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the Share be effected by the irregularity or invalidity in the proceedings in reference to the forfeiture, sale re-allotment or other disposal of the Shares.

60. The declaration as mentioned in Article 59 (a) of these Articles shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the Share.

#### **TITLE OF PURCHASER AND ALLOTTEE OF FORFEITED SHARES**

61. The Company may receive the consideration, if any, given for the share on any sale, re-allotment or other disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed off and the person to whom such share is sold, re-allotted or disposed off may be registered as the holder of the share. Any such purchaser or allottee shall not (unless by express agreement to the contrary) be liable to pay any calls, amounts, installments, interest and expenses owing to the Company prior to such purchase or allotment, nor shall he be entitled (unless by express agreement to contrary) to any of the dividends, interest or bonuses accrued or which might have accrued upon the share before the time of completing such purchase or before such allotment. Such purchaser or allottee shall not be bound to see to the application of the purchase money, if any; nor shall his title to the share be affected by any irregularity or invalidity in the proceedings with reference to the forfeiture, sale, re-allotment or disposal of the share.

#### **PARTIAL PAYMENT NOT TO PRECLUDE FORFEITURE**

62. Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereof nor the receipt by the Company of a portion of any money which shall from time to time be due from any member in respect of any shares either by way of principal or interest nor any indulgence granted by the Company in respect of payment of any such money shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as herein provided.

#### **THE PROVISIONS OF THESE ARTICLES AS TO FORFEITURE TO APPLY IN CASE OF NON-PAYMENT OF ANY SUM**

63. The provisions of these Articles as to forfeiture shall apply to the case of non-payment of any sum which by the terms of issue of a share becomes payable at a fixed time, whether on account of the nominal value of the Shares or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

#### **BOARD MAY ACCEPT SURRENDER OF SHARES**

64. The Board may at any time, subject to the provisions of the Act, accept the surrender of any share from or by any member desirous of surrendering the same on such terms as the Board may think fit.

#### **COMPANY'S LIEN ON SHARE/DEBENTURES**

65. The Company shall have a first and paramount lien upon all the shares/debentures (other than fully paid-up shares/debentures) registered in the name of each member (whether solely or jointly with others) and upon the

proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares/debentures and no equitable interest in any share shall be created except upon the footing and condition that this Article will have full effect. And such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares/debentures. The registration of a transfer of shares/debentures shall not operate as a waiver of the Company's lien if any, on such shares/debentures unless otherwise agreed by the Board. The Directors may at any time declare any shares/debentures wholly or in part to be exempt from the provisions of this Article.

#### **ENFORCING LIEN BY SALE**

66. For the purpose of enforcing such lien, the Board may sell the shares subject thereto in such manner as it thinks fit but no sale shall be made until such time fixed as aforesaid shall have arrived and until notice in writing of the intention to sell, shall have been served on such member his heirs, executors, administrators or other legal representatives as the case may be and default shall have been made by him or them in payment, fulfillment or discharged of such debts, liabilities or engagements for fourteen days after the date of such notice.

#### **APPLICATION OF PROCEEDS OF SALE**

67. The net proceeds of any such sale shall be received by the Company and applied in or towards satisfaction of the said debts, liabilities or engagements and the residue, if any, shall be paid to such member, his heirs, executors, administrators or other legal representatives, as the case may be.

#### **VALIDITY OF SALE IN EXERCISE OF LIEN AND AFTER FORFEITURE**

68. Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers herein before given, the Board of Directors may appoint some person to execute an instrument of transfer of the shares sold and cause the purchaser's name to be entered in the register in respect of the shares sold and the purchaser shall not be bound to see to the regularity of the proceedings, nor to the application of the purchase money and after his name has been entered in the Register of members in respect of such shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.

#### **BOARD OF DIRECTORS MAY ISSUE NEW CERTIFICATES**

69. Where an shares under the powers in that behalf herein contained are sold by the Board of Directors after forfeiture or for enforcing a lien, the certificate or certificates originally issued in respect of the relative shares shall (unless the same shall voluntarily or on demand by the Company, have been previously surrendered to the Company by the defaulting member) stand cancelled and become null and void and of no effect and the Board of Directors may issue a new certificate or certificates for such shares distinguishing it or them in such manner as it may think fit from the certificate or certificates previously issued in respect of the said shares.

#### **SUM PAYABLE ON ALLOTMENT TO BE DEEMED A CALL**

70. For the purpose of the provisions of these Articles relating to forfeiture of Shares, the sum payable upon allotment in respect of a share shall be deemed to be a call payable upon such Share on the day of allotment.

#### **TRANSFER AND TRANSMISSION OF SHARES**

##### **REGISTER OF TRANSFER**

71. The Company shall keep a book to be called the Register of Transfer and therein shall be fairly and distinctly entered the particulars of every transfer or transmission of any share.

##### **EXECUTION OF TRANSFER**

72. Subject to the Provisions of the Act and these Articles, the transfer of shares in or debentures of the Company shall be registered unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor or on behalf of the transferee and specifying the name, address and occupation, if any, of the transferee has been delivered to the Company along with the certificate if in existence or along with the letter of allotment

of the shares or debentures. The transferor shall be deemed to remain the holder of such shares until the name of the transferee is entered in the register in respect thereof. Shares of different classes shall not be included in the same instrument of transfer.

#### **INSTRUMENT OF TRANSFER**

73. Every such instrument of transfer shall be signed both by the Transferor and 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.

#### **FORM OF TRANSFER**

74. The instrument of transfer shall be in writing and all the provisions of Section 56 of the Act and of any statutory modification thereof for the time being shall be duly complied with in respect of all transfers of shares and registration thereof. The Company shall use a common form for transfer.

#### **NO TRANSFER TO A PERSON OF UNSOUND MIND, ETC**

75. No transfer shall be made to a minor or a person of unsound mind.

#### **TRANSFER OF SHARES**

- 76.
- (i) An application for the registration of a transfer of shares may be made either by the transferor or by the transferee.
  - (ii) Where the application is made by the transferor and relates to partly paid shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the receipt of the notice.
  - (iii) For the purpose of clause (2) hereof notice to the transferee shall be deemed to have been duly given if it is dispatched by prepaid registered post to the transferee at the address given in the instruments of transfer and shall be deemed to have been duly delivered at the time at which it would have been delivered in the ordinary course of post.

#### **DIRECTORS MAY REFUSE TO REGISTER TRANSFER**

77. Subject to the Provisions of Section 58 and 59, these Articles and other applicable provisions of the Act or any other law for the time being in force, the Board may refuse whether in pursuance of any power of the company under these Articles or otherwise to register the transfer of, or the transmission by operation of law of the right to, any Shares or interest of a Member in or Debentures of the Company. The Company shall within one month from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to Company, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be giving reasons for such refusal. Provided that the registration of a transfer shall not be refused person or persons indebted to the Company on any account whatsoever except where the Company has a lien on Shares. If the Company refuses to register the transfer of any share or transmission of right therein, the Company shall within one month from the date on which instrument of transfer or the intimation of transmission, as the case may be, was delivered to the Company, sends notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission as the case may be. Nothing in these Articles shall prejudice any power of the Company to register as shareholder any person to whom the right to any shares of the Company has been transmitted by operation of law.

#### **NO FEE ON TRANSFER OR TRANSMISSION**

78. 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.

#### **TRANSFER TO BE LEFT AT OFFICE AS EVIDENCE OF TITLE GIVEN**

79. Every instruments of transfer duly executed and stamped shall be left at the office for registration accompanied by the certificate of the shares to be transferred and such other evidence as the Company may require to prove the title of the transferor or his right to transfer the shares.

#### **WHEN TRANSFER TO BE RETAINED**

80. All instruments of transfer which are registered shall be retained by the Company but any instrument of transfer which the Board declines to register shall, on demand, be returned to the person depositing the same. The Board may cause to be destroyed all transfer deeds lying with the Company after such period not being less than eight years as it may determine.

#### **DEATH OF ONE OR MORE JOINT HOLDERS OF SHARES**

81. In the case of death of any one or more of the persons named in Register of Members as joint shareholders of any share, the survivors shall be the only persons recognized by the Company as having any title to or interest in such shares, but nothing herein contained shall be taken to release the estate of a joint shareholder from any liability to the Company on shares held by him jointly with any other person.

#### **TITLE TO SHARES OF DECEASED HOLDER**

82. Subject to Article 81 the heir, executor or administrator of a deceased shareholder shall be the only person recognized by the Company as having any title to his shares and the Company shall not be bound to recognize such heir, executor or administrator unless such heir, executor or administrator shall have first obtained probate, letters of administration or succession certificate.

#### **REGISTRATION OF PERSONS ENTITLED TO SHARE OTHERWISE THAN BY TRANSFER**

83. Subject to the provisions of Article 90 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 a transfer in accordance with these present, may with the consent of the Directors (which they shall not be under any obligation to give) upon producing such evidence that the sustains the character in respect of which he proposes to act under this Article or of such titles as the Directors shall think sufficient, either be registered himself as a member in respect of such shares or elect to have some person nominated by him and approved by the Directors registered as a member in respect of such shares. Provided nevertheless that if such person shall elect to have his nominee registered he shall testify his election by executing in favor of his nominee on instrument of transfer in accordance with the provisions herein contained and until he does so, he shall not be free from any liability in respect of such shares.

A transfer of the share or other interest in the Company of a deceased member thereof made by his legal representative shall although the legal representative is not himself a member, be as valid as if he had been a member at the time of the execution of the instrument of transfer.

#### **CLAIMANT TO BE ENTITLED TO SAME ADVANTAGE**

84. The person entitled to a share by reason of the death lunacy, bankruptcy or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled as if he were registered holder of the shares 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 the meeting of the Company provided that the Board may at any time give notice requiring any such persons to elect either to be registered himself or to transfer shares and if the notice is not complied within sixty days the Board shall thereafter withhold payment of all dividends, interests, bonuses or other moneys payable in respect of the share until the requirements of the notice have been compelled with.

#### **TRANSMISSION OF SHARE**

85. Subject to the provisions of the Act and these Articles, any person becoming entitled to a share in consequence of the death, bankruptcy or insolvency of any member or by any lawful means other than by a transfer in accordance with these presents, may with the consent of the Board (which it shall not be under any obligation to give) upon producing such evidence as the Board think sufficient, either be registered himself as the holder of the share or elect to have some person nominated by him and approved by the Board registered as such holder, provided

nevertheless that if such person shall elect to have his nominee registered, he shall testify the election by executing to his nominee an instrument of transfer of the share in accordance with the provisions herein contained and until he does so he shall not be freed from any liability in respect of the share.

#### **BOARD MAY REFUSE TO TRANSMIT**

86. The Board shall have the same right to refuse on legal grounds to register a person entitled by transmission to any share or his nominee, as if he were the transferee named in any ordinary transfer presented for registration.

#### **BOARD MAY REQUIRE EVIDENCE OF TRANSMISSION**

87. Every transmission of share shall be verified in such manner as the Board may require and if the Board so desires, be accompanied by such evidence as may be thought necessary and the Company may refuse to register any such transmission until the same be verified on requisite evidence produced or until or unless an indemnity be given to the Company with regard to such registration which the Board at its absolute discretion shall consider sufficient, provided nevertheless, that there shall not be any obligation on the Company or the Board to accept any indemnity.

#### **TRANSFER BY LEGAL REPRESENTATION**

88. A transfer of a share in the Company of a deceased member thereof made by his legal representative shall, although the legal representative is not himself a member be as valid as if he had been a member at the time of the execution of instrument of transfer.

#### **CERTIFICATE OF TRANSFER**

89. The Certification by the Company of any instrument of transfer of shares in or debentures of the Company, shall be taken as a representation by the Company to any person acting on the faith of the certification that there have been produced to the Company such documents as on the face of them show a prime facie title to the shares or debentures in the transferor named in the instrument of transfer, but not as a representation that the transferor has any title to the shares or debentures

#### **THE COMPANY NOT LIABLE FOR DISREGARD OF A NOTICE PROHIBITING**

#### **REGISTRATION OF TRANSFER**

90. The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer or transmission of shares made or purporting to be made by any apparent legal owner thereof as shown or appearing in the Register of Members to the prejudice of persons having or claiming any equitable right, title or interest to or in the said shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer any 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 it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some books of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto if the Board shall so think fit.

#### **NOMINATION**

- 91.
- (i) Every shareholder or debenture holder of the Company, may at any time, nominate a person to whom his shares or debentures shall vest in the event of his death in such manner as may be determined by central government under the Act.
  - (ii) Where the shares or debentures of the Company are held by more than one person jointly, joint holders may together nominate a person to whom all the rights in the shares or debentures, as the case may be shall vest in the event of death of all the joint holders in such manner as may be determined by central government under the act.
  - (iii) Notwithstanding anything contained in any other law for the time being in force or in any disposition,

whether testamentary or otherwise, where a nomination made in the manner aforesaid purports to confer on any person the right to vest the shares of debentures, the nominee shall, on the death of the shareholders or debenture holder or, as the case may be on the death of the joint holders become entitled to all the rights in such shares or debentures or, as the case may be, all the joint holders, in relation to such shares or debentures, to the exclusion of all other persons, unless the nomination is varied or cancelled in the manner as may be determined by central government under the Act.

- (iv) Where the nominee is a minor, it shall be lawful for the holder of the shares or debentures, to make the nomination to appoint any person to become entitled to shares in, or debentures of, the Company in the manner prescribed under the Act, in the event of his death, during the minority.

#### **“Option of Nominee”**

92.

- (i) A nominee upon production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either-(a) to register himself as holder of the share or debenture, as the case may be; (b) or to make such transfer of the shares and/or debentures, as the deceased shareholder or debenture holder, as the case may be, could have made.

If the nominee elects to be registered as holder of the shares or debentures, himself, as the case may be, he shall deliver or send to the Company, notice in writing signed by him stating that he so elects and such notice shall be accompanied with death certificate of the deceased shareholder or debenture holder, as the case may be.

- (ii) A nominee shall be entitled to the share dividend/interest and other advantages to which he would be entitled if he were the registered holder of the shares or debentures, provided that he shall not, before being registered as a member, be entitled to exercise any right conferred by membership in relation to the meeting of the Company.

Provided further that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the shares or debentures, and if the notice is not complied within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the shares or debentures, until the requirements of the notice have been complied with.

#### **TRUST NOT RECOGNISED**

93. Save as herein otherwise provided, the Company shall be entitled to treat the person whose names appears on the Register of Members/Debentures as the holder of any Shares/Debentures in the records of the Company and/or in the records of the Depository as the absolute owner thereof and accordingly shall not (except as may be ordered by a Court of competent jurisdiction or as may be required by law) be bound to recognize any benami trust or equitable, contingent, future or other claim or interest or partial interest in any such shares/debentures on the part of any other person or (except only as is by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto on the part of any other person whether or not it shall have express or implied notice thereof, but the Board shall be at liberty and at its sole discretion decided to register any share/debenture in the joint names of any two or more persons or the survivor or survivors of them.

#### **TRANSFER OF SECURITIES**

94. Nothing contained in Section 56(1) of the Act or these Articles shall apply to a transfer of securities affected by a transferor and transferee both of whom are entered as beneficial owners in the records of depository.

#### **NOTICE OF APPLICATION WHEN TO BE GIVEN**

95. Where, in case of partly paid Shares, an application for registration is made by the transferor, the Company shall give notice of the application to the transferee in accordance with the provisions of Section 56 of the Act.

#### **REFUSAL TO REGISTER NOMINEE**

96. Subject to the provisions of the Act and these Articles, the Directors shall have the same right to refuse to register a person entitled by transmission to any Share of his nominee as if he were the transferee named in an ordinary

transfer presented for registration.

#### **PERSON ENTITLED MAY RECEIVE DIVIDEND WITHOUT BEING REGISTERED AS A MEMBER**

97. A person entitled to a Share by transmission shall subject to the right of the Directors to retain dividends or money as is herein provided, be entitled to receive and may give a discharge for any dividends or other moneys payable in respect of the Share.

#### **BOARD MAY REFUSE TRANSFER TO MORE THAN THREE PERSONS**

98. Subject to the provisions of the Act, the Board may refuse to transfer a share or shares in the joint names of more than three persons.

#### **JOINT HOLDERS**

99. If any share stands in the name of two or more persons, the person first named in the Register of Members shall, as regards receipt of dividends or bonus or service of notice and/or any other matter connected with the Company, except voting at meeting and the transfer of the share, be deemed the sole holder thereof, but the joint holders of a share be severally as well as jointly, liable for the payment of all installments and calls due in respect of such share and for all incidents thereof subject to the following and other provisions contained in these articles;

#### **JOINT AND SEVERAL LIABILITIES FOR ALL PAYMENTS IN RESPECT OF SHARES**

- (a) The joint holders of any share 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 share.

#### **TITLE OF SURVIVORS**

- (b) On the death of any such joint holder, the survivor or survivors shall be the only person or persons recognized by the Company as having any title to the share but the Board may require such evidence of death as it 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.

#### **EFFECTUAL RECEIPTS**

- (c) Any one of several persons who is registered as joint holder of any share may give effectual receipts for all dividends and payments on account of dividends in respect of such share.

#### **DELIVERY OF CERTIFICATE AND GIVING OF NOTICE TO FIRST NAMED HOLDER**

- (d) 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 certificates relating to such share or to receive documents (which expression shall be deemed to include all documents referred to in Article 29 from the Company and document served on or sent to such person shall be deemed service on all the joint holders).

#### **VOTES OF JOINT HOLDERS**

- (e) Any one or two or more joint holders may vote at any meeting either personally or by attorney or by proxy in respect of such shares 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 than that one or such persons so present whose name stands first or higher (as the case may be) on the Register of Members in respect of such shares shall alone be entitled to vote in respect thereof but the others of the joint holders shall be entitled to be present at the meeting; provided always that a joint holder present at any meeting personally shall be entitled to vote in preference to a joint holder present by attorney or by proxy although the name of such joint holder present by an 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. Several executors or administrators of a deceased members in whose (deceased member's) sole name any shares stand shall for the purpose of this Article, be deemed joint holders.

#### **CONVERSION OF SHARES INTO STOCK**

## **SHARES MAY BE CONVERTED INTO STOCK**

100. The Board may, pursuant to section 61 with the sanction of a General Meeting, convert any paid up share into stock and when any shares shall have been converted into stock, the several holders of such stock may henceforth, transfer their respective interests therein or any part of such interest in the same manner as and subject to the same regulations, under which fully paid up share in the capital of the Company may be transferred or as near thereto as circumstances will admit, but the Board may, from time to time if it thinks fit, fix the minimum amount of stock transferable and direct that fractions of a rupee shall not be dealt with, power nevertheless at their discretion to waive such rules in any particular case.

## **RIGHTS OF STOCK-HOLDERS**

101. The stock shall confer on the holders thereof respectively the same rights, privileges and advantages as regards participation in the profits and voting at meetings of the Company and for other purposes as would have been conferred by shares of equal amount in the capital of the Company of the same class as the shares from which such stock was converted, but so that none of such privileges or advantages except participation in the profits of the Company or in the assets of the Company on a winding up, shall be conferred by any such equivalent part of consolidated stock as would not, if existing in shares have conferred such privileges or advantages. No such conversion shall effect or prejudice any preference or other special privileges attached to the shares so converted. Save as aforesaid, all the provisions herein contained shall, so far as circumstances will admit, apply to stock as well as to shares. The Company may at any time reconvert any such stock into fully paid up shares of any denomination.

## **MEETING OF MEMBERS**

- 102.
- (a) Subject to Section 96 of the Act, the Company shall in each year hold, in addition to any other meetings, a General Meeting as its Annual General Meeting and shall specify the meeting as such in the notices calling it and not more than fifteen months shall elapse between the date of the Annual General Meeting of the Company and that of the next, provided also that the Register may, for any special reason, extend the time within which any annual general meeting shall be held by a period not exceeding three months.
  - (b) Every Annual General Meeting shall be called for at a time during business hours that is between 9 a.m. and 6 p.m. on any day that is not a national holiday and shall be held either at the Registered Office of the Company or at some other place within the city or town or village in which the Registered Office of the Company is situated.
103. The Company shall in accordance with Section 92 of the Act, within 60 days from the day on which the Annual General Meeting is held, prepare and file with the Registrar an annual return together with the copy of the financial statements, including consolidated financial statement, if any, along with all the documents which are required to be or attached to such financial statements under this act, duly adopted at the Annual General Meeting of the company. A copy of the financial statements adopted at the Annual General Meeting shall be filed within 30 days of the annual general meeting in accordance with Section 137 of the Act.

## **DISTINCTION BETWEEN ANNUAL GENERAL MEETING AND EXTRA-ORDINARY GENERAL MEETING**

104. The General Meeting referred to in Article 99 shall be called and styled as an Annual General Meeting and all meetings other than the Annual General Meeting shall be called Extra-ordinary General Meetings.

## **CALLING OF EXTRA-ORDINARY GENERAL MEETING**

- 105.
- (1) The Board may, whenever it deems fit, call an extraordinary general meeting of the company.
  - (2) The Board shall, at the requisition made by such number of members who hold, on the date of the receipt of the requisition, not less than one-tenth of such of the paid-up share capital of the company as on that date carries the right of voting power of all the members having on the said date a right to vote, call an extraordinary general meeting of the company within the period specified in clause (4).



- (3) The requisition made under clause (2) shall set out the matters for the consideration of which the meeting is to be called and shall be signed by the requisitionists and sent to the registered office of the company.
- (4) If the Board does not, within twenty-one days from the date of receipt of a valid requisition in regard to any matter, proceed to call a meeting for the consideration of that matter on a day not later than forty-five days from the date of receipt of such requisition, the meeting may be called and held by the requisitionists themselves within a period of three months from the date of the requisition.
- (5) A meeting under clause (4) by the requisitionists shall be called and held in the same manner in which the meeting is called and held by the Board.
- (6) Any reasonable expenses incurred by the requisitionists in calling a meeting under clause (4) shall be reimbursed to the requisitionists by the company and the sums so paid shall be deducted from any fee or other remuneration under section 197 payable to such of the directors who were in default in calling the meeting.

#### **LENGTH OF NOTICE FOR CALLING MEETING**

106.

- (1) A general meeting of a company may be called by giving not less than clear twenty-one days' notice either in writing or through electronic mode in such manner as may be determined by central government:

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 ninety-five per cent. of the members entitled to vote at such meeting.

- (2) Every notice of a meeting shall specify the place, date, day and the hour of the meeting and shall contain a statement of the business to be transacted at such meeting.
- (3) The notice of every meeting of the company shall be given to –
  - a. every member of the company, legal representative of any deceased member or the assignee of an insolvent member;
  - b. the auditor or auditors of the company; and
  - c. every director of the company.
- (4) Any accidental omission to give notice to, or the non-receipt of such notice by, any member or other person who is entitled to such notice for any meeting shall not invalidate the proceedings of the meeting.

#### **EXPLANATORY STATEMENT TO BE ANNEXED TO NOTICE / SPECIAL BUSINESS**

107.

- (1) Pursuant to section 102 a statement setting out the following material facts concerning each item of special business to be transacted at a general meeting, shall be annexed to the notice calling such meeting, namely:  
-
  - (a) the nature of concern or interest, financial or otherwise, if any, in respect of each items of—
    - (i) every director and the manager, if any;
    - (ii) every other key managerial personnel; and
    - (iii) relatives of the persons mentioned in sub-clauses (i) and (ii);
  - (b) any other information and facts that may enable members to understand the meaning, scope and implications of the items of business and to take decision thereon.
- (2) For the purposes of clause (1),—
  - (a) in the case of an annual general meeting, all business to be transacted thereat shall be deemed special, other than—
    - (i) the consideration of financial statements and the reports of the Board of Directors and auditors;
    - (ii) the declaration of any dividend;
    - (iii) the appointment of directors in place of those retiring;
    - (iv) the appointment of, and the fixing of the remuneration of, the auditors; And
  - (b) in the case of any other meeting, all business shall be deemed to be special:

Provided that where any item of special business to be transacted at a meeting of the company relates to or affects any other company, the extent of shareholding interest in that other company of every promoter, director, manager, if any, and of every other key managerial personnel of the first mentioned company shall, if the extent of such shareholding is not less than two per cent. of the paid-up share capital of that company, also be set out in the statement.

- (3) Where any item of business refers to any document, which is to be considered at the meeting, the time and place where such document can be inspected shall be specified in the statement under sub- clause (1).

108. No General Meeting, Annual or Extra-ordinary, shall be competent to enter upon, discuss or transact any business which has not been specifically mentioned in the notice or notices upon which it is convened.

### **QUORUM**

109.

- (1) The quorum for a General Meeting of the Company shall be as under:
- (i) five members personally present if the number of members as on the date of meeting is not more than one thousand; or
  - (ii) fifteen members personally present if the number of members as on the date of meeting is more than one thousand but up to five thousand; or
  - (iii) thirty members personally present if the number of members as on the date of the meeting exceeds five thousand; shall be the quorum for a meeting of the company.
- (2) If the quorum is not present within half-an-hour from the time appointed for holding a meeting of the company –
- (a) the meeting shall stand adjourned to the same day in the next week at the same time and place, or to such other date and such other time and place as the Board may determine; or
  - (b) the meeting, if called by requisitionists under section 100, shall stand cancelled:  
Provided that in case of an adjourned meeting or of a change of day, time or place of meeting under clause (a), the company shall give not less than three days notice to the members either individually or by publishing an advertisement in the newspapers (one in English and one in vernacular language) which is in circulation at the place where the registered office of the company is situated.
- (3) If at the adjourned meeting also, a quorum is not present within half-an-hour from the time appointed for holding meeting, the members present shall be the quorum.

### **RESOLUTION PASSED AT ADJOURNED MEETING**

110. Where a resolution is passed at an adjourned meeting of –

- (a) a company; or
- (b) the holders of any class of shares in a company; or
- (c) the Board of Directors of a company,

the resolution shall, for all purposes, be treated as having been passed on the date on which it was in fact passed, and shall not be deemed to have been passed on any earlier date.

### **REGISTRATION OF RESOLUTIONS AND AGREEMENTS**

111. The Company shall comply with the provisions of Section 117 of the Act relating to registration of certain resolutions and agreements.

### **POWER OF ADJOURN GENERAL MEETING**

112.

- (1) The Chairman of the General Meeting at which a quorum is present, and shall if so directed by the meeting, may adjourn the same from time to time and from place to place, but no business shall be

transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

- (2) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.
- (3) Save as aforesaid, it shall not be necessary to give any notice of an adjournment of or of the business to be transacted at any adjourned meeting.

#### **CHAIRMAN OF GENERAL MEETING**

113. The Chairman of the Board shall, if willing, preside as Chairman at every General Meeting, Annual or Extraordinary, if there be no such Chairman or if at any meeting he shall not be present within fifteen minutes after the time appointed for holding such meeting or being present declined to take the Chair, the Directors present may choose one of their members to be Chairman and in default of their doing so, the members present shall choose one of the Directors to be Chairman and if no Director present be willing to take the Chair, members shall, on a show of hands elect one of their numbers to be Chairman, of the meeting, if a poll is demanded on the election of the Chairman, it shall be taken forthwith in accordance with the provisions of the Act and these Articles and the Chairman elected on a show of hands shall exercise all the powers of the Chairman under the said provisions. If some other person is elected chairman as a result of the poll, he shall be the Chairman for the rest of the meeting.

#### **BUSINESS CONFINED TO ELECTION OF CHAIRMAN WHILE CHAIR VACANT**

114. No business shall be discussed at any General Meeting except the election of a Chairman while the chair is vacant.

#### **RESOLUTION MUST BE PROPOSED AND SECONDED**

115. No resolution submitted to a meeting, unless proposed by the Chairman of the meeting shall be discussed nor put to vote until the same has been proposed by a member present and entitled to vote at such meeting and seconded by another member present and entitled to vote at such meeting.

#### **POSTAL BALLOT**

116.
  - (1) Notwithstanding anything contained in this Act, the company –
    - (a) shall, in respect of such items of business as the Central Government may, by notification, declare to be transacted only by means of postal ballot; and
    - (b) may, in respect of any item of business, other than ordinary business and any business in respect of which directors or auditors have a right to be heard at any meeting, transact by means of postal ballot, in such manner as may be determined by Central Government, instead of transacting such business at a general meeting.
  - (2) If a resolution is assented to by the requisite majority of the shareholders by means of postal ballot, it shall be deemed to have been duly passed at a general meeting convened in that behalf.

#### **DECLARATION OF CHAIRMAN TO BE CONCLUSIVE**

117. A declaration by the Chairman that a resolution has or has not been carried either unanimously or by a particular majority and an entry to that effect in the books containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact, without proof of the number or proportion of the votes cast in favour of or against such resolution.

#### **CIRCULATION OF MEMBERS' RESOLUTION**

118.
  - (1) A company shall, on requisition in writing of such number of members, as required in section 100,—
    - (a) give notice to members of any resolution which may properly be moved and is intended to be moved at a meeting; and
    - (b) circulate to members any statement with respect to the matters referred to in proposed resolution or business to be dealt with at that meeting.

- (2) A company shall not be bound under this section to give notice of any resolution or to circulate any statement unless –
- (a) a copy of the requisition signed by the requisitionists (or two or more copies which, between them, contain the signatures of all the requisitionists) is deposited at the registered office of the company,—
    - (i) in the case of a requisition requiring notice of a resolution, not less than six weeks before the meeting;
    - (ii) in the case of any other requisition, not less than two weeks before the meeting; and
  - (b) there is deposited or tendered with the requisition, a sum reasonably sufficient to meet the company's expenses in giving effect thereto:

Provided that if, after a copy of a requisition requiring notice of a resolution has been deposited at the registered office of the company, an annual general meeting is called on a date within six weeks after the copy has been deposited, the copy, although not deposited within the time required by this sub-section, shall be deemed to have been properly deposited for the purposes thereof.

- (3) The company shall not be bound to circulate any statement as required by clause(b) of sub-section (1), if on the application either of the company or of any other person who claims to be aggrieved, the Central Government, by order, declares that the rights conferred by this section are being abused to secure needless publicity for defamatory matter.
- (4) An order made under sub-section (3) may also direct that the cost incurred by the company by virtue of this section shall be paid to the company by the requisitionists, notwithstanding that they are not parties to the application.

#### **VOTES MAY BE GIVEN BY PROXY OR ATTORNEY**

119. 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 authorised under section 113 of the Act.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights

Provided that a member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.

#### **VOTES OF MEMBERS**

120.

- (1) Subject to the provisions of section 43 and sub-section (2) of section 50, -
- (a) every member of a company limited by shares and holding equity share capital therein, shall have a right to vote on every resolution placed before the company; and
  - (b) his voting right on a poll shall be in proportion to his share in the paid-up equity share capital of the company.
- (2) Every member of a company limited by shares and holding any preference share capital therein 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 his preference shares and, any resolution for the winding up of the company or for the repayment or reduction of its equity or preference share capital and his voting right on a poll shall be in proportion to his share in the paid-up preference share capital of the company:

Provided that the proportion of the voting rights of equity shareholders to the voting rights of the preference shareholders shall be in the same proportion as the paid-up capital in respect of the equity shares bears to the paid-up capital in respect of the preference shares:

Provided further that where the dividend in respect of a class of preference shares has not been paid for a period of two years or more, such class of preference shareholders shall have a right to vote on all the

resolutions placed before the company.

#### **RIGHT OF MEMBER TO USE HIS VOTES DIFFERENTLY**

121. On a poll being taken at meeting of the Company, a member entitled to more than one vote or his proxy or other person entitled to vote for him as the case may be need not, if he votes, use all his votes or cast in the same way all the votes he uses.

#### **REPRESENTATION OF BODY CORPORATE**

122. Pursuant to section 113 a body corporate whether a Company within meaning of the Act or not may, if it is a member or creditor of the Company including being a holder of debentures, may authorize such person by a resolution of its Board of Directors, as it thinks fit, to act as its representative at any meeting of members and creditors of the Company.

#### **REPRESENTATION OF THE PRESIDENT OF INDIA OR GOVERNORS**

123. The President of India or the Governor of State if he is a member of the Company may appoint such person as he thinks fit to act, as his representative at any meeting of the Company or at any meeting of any class of members of the Company in accordance with provisions of Section 112 of the Act or any other statutory provision governing the same.

A person appointed to act as aforesaid shall for the purposes of the Act be deemed to be a member of such a Company and shall be entitled to exercise the same rights and powers (including the right to vote by proxy) as the Governor could exercise, as member of the Company.

#### **RESTRICTION ON EXERCISE OF VOTING RIGHT BY MEMBERS WHO HAVE NOT PAID CALLS**

124. No member shall exercise any voting right in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has and/or has exercised its right of lien.

#### **RESTRICTION ON EXERCISE OF VOTING RIGHT IN OTHER CASES TO BE VOID**

125. A member is not prohibited from exercising his voting right on the ground that he has not held his share or other interest in the Company for any specified period preceding the date on which the vote is taken, or on any other ground not being a ground set out in Article 124.

#### **HOW MEMBER NON-COMPOS MENTIS MAY VOTE**

126. If any member be a lunatic or non-compos mentis, the vote in respect of his share or shares shall be his committee or other legal guardian provided that such evidence of the authority of the person claimed to vote as shall be acceptable by the Board shall have been deposited at the office of the Company not less than forty eight hours before the time of holding a meeting.

#### **INSTRUMENT OF PROXY**

127. The instrument appointing a proxy shall be in writing and signed by the appointer or his attorney duly authorized in writing or if the appointer is a body corporate be under its seal or be signed by an officer or attorney duly authorized by it.

#### **INSTRUMENT OF PROXY TO BE DEPOSITED AT OFFICE**

128. The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power of attorney or authority shall be deposited at the registered office of the Company not less than forty eight hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote and in default, the instrument of proxy shall not be treated as valid. No instrument of proxy shall be valid after the expiration of twelve months from the date of its execution.

#### **WHEN VOTE BY PROXY VALID THOUGH AUTHORITY REVOKED**

129. 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 share in respect of which the vote is given. 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 adjournment meeting at which the proxy is used.

#### **FORM OF PROXY**

130. Every instrument of proxy, whether for specified meeting or otherwise shall, as nearly as circumstances will admit, be in the form Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014.

#### **TIME FOR OBJECTION TO VOTE**

131. No objection shall be made to the validity of any vote except at the meeting or poll at which such vote shall be so tendered and every vote whether given personally or by proxy and not disallowed at such meeting or poll shall be deemed valid for all purposes of such meeting or poll whatsoever.

#### **CHAIRMAN OF ANY MEETING TO BE THE JUDGE OF VALIDITY OF ANY VOTE**

132. The Chairman of any meeting shall be sole judge of the validity of every vote tendered at such meeting. The Chairman present at the time of taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.

#### **MEMBER PAYING MONEY IN ADVANCE NOT BE ENTITLED TO VOTE IN RESPECT THEREOF**

133. A Member paying the whole or a part of the amount remaining unpaid on any Share held by him although no part of that amount has been called up, shall not be entitled to any voting rights or participate in dividend or profits in respect of moneys so paid by him until the same would but for such payment become presently payable

#### **DIRECTORS**

- 134.
- 1) Until otherwise determined by a General Meeting of the Company and subject to the provisions of Section 149 of the Act, the number of Directors shall not be less than three nor more than fifteen.
  - 2) As on the date of adoption of this Articles of Association, following are the directors of the company:
    1. **CURT MARVIS**
    2. **KEVIN RICHARD WILLIMS**
    3. **RAJNANDAN MISHRA**

#### **BOARD OF DIRECTORS**

135. The following shall be the First Directors of the Company.

1. **ROHIT RAJ**
2. **VARUN DUGGIRALA**

136. The appointment of the Directors exceeding 15 (fifteen) will be subject to the provisions of Section 149 of the Act.

#### **POWER OF DIRECTORS TO APPOINT ADDITIONAL DIRECTORS**

137. The Board of Directors shall have the power to appoint any person, other than a person who fails to get appointed as a director in a general meeting, as an additional director at any time who shall hold office 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.

### **ALTERNATE DIRECTORS**

138. The Board of Directors shall have the power to appoint a person, not being a person holding any alternate directorship for any other director in the company, to act as an alternate director for a director during his absence for a period of not less than three months from India:

Provided that no person shall be appointed as an alternate director for an independent director unless he is qualified to be appointed as an independent director under the provisions of this Act:

Provided further that an alternate director shall not hold office for a period longer than that permissible to the director in whose place he has been appointed and shall vacate the office if and when the director in whose place he has been appointed returns to India:

Provided also that if the term of office of the original director is determined before he so returns to India, any provision for the automatic re-appointment of retiring directors in default of another appointment shall apply to the original, and not to the alternate director.

### **NOMINEE DIRECTORS**

139. The Board shall have the power to appoint any person as a director nominated by any institution in Pursuance of the provisions of any law for the time being in force or of any agreement or by the Central Government or the State Government by virtue of its shareholding in a Government company.

If the office of any director appointed by the company in general meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may, in default of and subject to any regulations in the articles of the company, be filled by the Board of Directors at a meeting of the Board:

Provided that any person so appointed shall hold office only up to the date up to which the director in whose place he is appointed would have held office if it had not been vacated.

140. A Director need not hold any qualification shares.

### **REMUNERATION OF DIRECTORS**

- 141.
- (1) Subject to the provisions of the Act, a Managing Director or any other Director, who is in the Whole time employment of the Company may be paid remuneration either by way of a monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other.
  - (2) Subject to the provisions of the Act, a Director who is neither in the Whole-time employment not a Managing Director may be paid remuneration.
    - (i) by way of monthly, quarterly or annual payment with the approval of the Central Government: or
    - (ii) by way of commission if the Company by a special resolution authorises such payments.
  - (3) The fees payable to Director (including a Managing or whole-time Director, if any) for attending a meeting of the Board or Committee shall be decided by the Board of Directors from time to time, however the amount thereof shall not exceed limit provided in the Companies Act, 2013 and rules, if any, framed there under.
  - (4) if any Director be called upon to perform extra services or special exertion or efforts (which expression shall include work done by a Director as member of any committee formed by the Directors), the Board may arrange with such Directors for such special remuneration for such extra services or special exertions or either by a fixed sum or otherwise as may be determined by the Board and such remuneration may be either in addition to or in substitution for his remuneration above provided subject to the provision of Section 197(4) of the Act.

## **INCREASE IN REMUNERATION OF DIRECTORS TO REQUIRE GOVERNMENT SANCTION**

142. Any provision relating to the remuneration of any Director including the Managing Director or Joint Managing Director or whole time Director or executive Director whether contained in his original appointment or which purports to increase or has the effect of increasing whether directly or indirectly the amount of such remuneration and whether that provisions are contained in the articles or in any agreement entered into by the Board of Directors shall be subject to the provisions of Section 196, 197 and 203 of the Act and in accordance with the conditions specified in Schedule V and to the extent to which such appointment or any provisions for remuneration thereof is not in accordance with the Schedule V, the same shall not have any effect unless approved by the Central Government and shall be effective for such period and be subject to such conditions as may be stipulated by the Central Government and to the extent to which the same is not approved by the Central Government, the same shall become void and not enforceable against the Company.

## **TRAVELLING EXPENSES INCURRED BY A DIRECTOR NOT A BONAFIDE RESIDENT OR BY DIRECTOR GOING OUT ON COMPANY'S BUSINESS**

143. The Board may allow and pay to any Director who is not a bonafide resident of the place where the meetings of the Board or committee thereof are ordinarily held and who shall come to a such place for the purpose of attending any meeting, such sum as the Board may consider fair compensation or for traveling, boarding, lodging and other expenses, in addition to his fee for attending such meeting as above specified and if any Director be called upon to go or reside out of the ordinary place of his residence on the Company's business, he shall be entitled to be repaid and reimbursed any travelling or other expenses, incurred in connection with business of the Company.

## **DIRECTORS MAY ACT NOTWITHSTANDING ANY VACANCY**

144. The continuing Directors may act notwithstanding any vacancy in the Board, but if and so long as the number is reduced below the quorum fixed by the Act or by these Articles for a meeting of the Board, the continuing Directors or Director may act for the purpose of increasing the number of Directors to that fixed for the quorum or for summoning a General Meeting of the Company but for no other purpose.

## **DISCLOSURE OF INTEREST OF DIRECTORS**

- 145.
- (1) 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 an company or companies or bodies corporate, firms, or other association of individuals which shall include the shareholding, in such manner as may be determined by central government.
  - (2) Every director of a company who is in any way, whether directly or indirectly, concerned or interested in a contract or arrangement or proposed contract or arrangement entered into or to be entered into—
    - a. with a body corporate in which such director or such director in association with any other director, holds more than two per cent. shareholding of that body corporate, or is a promoter, manager, Chief Executive Officer of that body corporate; or
    - b. with a firm or other entity in which, such director is a partner, owner or member, as the case may be, shall disclose the nature of his concern or interest at the meeting of the Board in which the contract or arrangement is discussed and shall not participate in such meeting:

Provided that where any director who is not so concerned or interested at the time of entering into such contract or arrangement, he shall, if he becomes concerned or interested after the contract or arrangement is entered into, disclose his concern or interest forthwith when he becomes concerned or interested or at the first meeting of the Board held after he becomes so concerned or interested.
  - (3) A contract or arrangement entered into by the company without disclosure under sub-section (2) or with participation by a director who is concerned or interested in any way, directly or indirectly, in the contract or arrangement, shall be voidable at the option of the company.
  - (4) Nothing in this Article-



- (a) shall be taken to prejudice the operation of any rule of law restricting a director of a company from having any concern or interest in any contract or arrangement with the company;
- (b) shall apply to any contract or arrangement entered into or to be entered into between two companies where any of the directors of the one company or two or more of them together holds or hold not more than two per cent. of the paid-up share capital in the other company.

#### **INTERESTED DIRECTOR NOT TO PARTICIPATE OR VOTE ON BOARD'S PROCEEDINGS**

146. No Director of the Company shall, as Director, take any part in the discussion of or vote on any contract or arrangement entered into or to be entered into by or on behalf of the Company if he is in any way whether directly or indirectly, concerned or interested in the contract or arrangement, nor shall his presence count for the purpose of forming a quorum at the time of any such discussion or vote and if he does vote his vote shall be void, provided however that Directors may vote on any contract of indemnity against any loss which the Directors or any one or more of them may suffer by reason of becoming or being sureties or surety for the Company.

#### **BOARD'S SANCTION TO BE REQUIRED FOR CERTAIN CONTRACTS IN WHICH PARTICULAR DIRECTOR IS INTERESTED**

- 147.
- 1) Except with the consent of the Board of Directors of the Company and of the Shareholders where applicable, the Company, shall not enter into any contract with a Related Party in contravention of Section 188 of the Act and the Rules made thereunder–
    - (i) for the sale, purchase or supply of any goods, materials or services; or
    - (ii) selling or otherwise disposing of, or buying, property of any kind;
    - (iii) leasing of property of any kind;
    - (iv) availing or rendering of any services;
    - (v) appointment of any agent for purchase or sale of goods, materials, services or property;
    - (vi) such Related Party's appointment to any office or place of profit in the Company, its subsidiary company or associate company;
    - (vii) underwriting the subscription of any securities or derivatives thereof, of the Company;
  - 2) Nothing contained in clause (1) shall affect any transactions entered into by the Company in its ordinary course of business other than transactions which are not on an arm's length basis.
  - 3) Notwithstanding anything contained in clauses (1) and (2) a Related Party may, in circumstances of urgent necessity enter, without obtaining the consent of the Board, into any contract with the Company; but in such a case the consent of the Board shall be obtained at a meeting within three months of the date of which the contract was entered into or such other period as may be prescribed under the Act. (S.188 (3))
  - 4) Every consent of the Board required under this Article shall be accorded by a resolution of the Board and the consent required under Clause (1) shall not be deemed to have been given within the meaning of that clause unless the consent is accorded before the contract is entered into or within three months of the date on which it was entered into or such other period as may be prescribed under the Act.
  - 5) If the consent is not accorded to any contract under this Article anything done in pursuance of the contract will be voidable at the option of the Board.

#### **SPECIAL DIRECTOR**

148. In connection with any collaboration arrangement with any company or corporation or any firm or person for supply of technical know-how and/or machinery or technical advice the directors may authorize such company,

corporation, firm or person herein-after in this clause referred to as “collaborator” to appoint from time to time any person as director of the company (hereinafter referred to as “special director”) and may agree that such special director shall not be liable to retire by rotation and need not possess any qualification shares to qualify him for office of such director, so however that such special director shall hold office so long as such collaboration arrangement remains in force unless otherwise agreed upon between the Company and such collaborator under the collaboration arrangements or at any time thereafter.

The collaborators may at any time and from time to time remove any such special director appointed by it and may at the time of such removal and also in the case of death or resignation of the person so appointed, at any time appoint any other person as special director in his place and such appointment or removal shall be made in writing signed by such company or corporation or any partner or such person and shall be delivered to the Company at its registered office.

It is clarified that every collaborator entitled to appoint a director under this article may appoint one such person as a director and so that if more than one collaborator is so entitled there may be at any time as many special directors as the collaborators eligible to make the appointment.

### **DIRECTORS’ SITTING FEES**

149. The fees payable to a Director for attending each Board meeting shall be such Sum as may be fixed by the Board of Directors not exceeding such as may be determined by central government by the Central Government for each of the meetings of the Board or A committee thereof and adjournments thereto attended by him. The directors, Subject to the sanction of the Central Government (if any required) may be paid such higher fees as the Company in General Meeting shall from time to time determine.

### **DIRECTORS AND MANAGING DIRECTOR MAY CONTRACT WITH COMPANY**

150. Subject to the provisions of the Act the Directors (including a Managing Director And whole time Director) shall not be disqualified by reason of his or their office as such from holding office under the Company or from contracting with the Company either as vendor, purchaser, lender, agent, broker, lessor or lessee or Otherwise, nor shall any such contract or any contracts or arrangement entered into by or on behalf of the Company with any Director or with any company or Partnership of or in which any Director shall be a member or otherwise interested be avoided nor shall any Director so contracting be liable to account to the Company for any profit realized by such contract or arrangement by reason only Of such director holding that office or of the fiduciary relation thereby established, but it is declared that the nature of his interest shall be disclosed as Provided by Section 188 of the Act and in this respect all the provisions of Section 179, 180, 184, 185, 186, 188, 189 and 196 of the Act shall be duly observed and complied with.

### **DISQUALIFICATION OF THE DIRECTOR**

151. (1) A person shall not be eligible for appointment as a director of a company, if -
- (a) he is of unsound mind and stands so declared by a competent court;
  - (b) he is an undischarged insolvent;
  - (c) he has applied to be adjudicated as an insolvent and his application is pending;
  - (d) he has been convicted by a court of any offence, whether involving moral turpitude or otherwise, and sentenced in respect thereof to imprisonment for not less than six months and a period of five years has not elapsed from the date of expiry of the sentence:  
Provided that if a person has been convicted of any offence and sentenced in respect thereof to imprisonment for a period of seven years or more, he shall not be eligible to be appointed as a director in any company;
  - (e) an order disqualifying him for appointment as a director has been passed by a court or Tribunal and the order is in force;
  - (f) he has not paid any calls in respect of any shares of the company held by him, whether alone or jointly with others, and six months have elapsed from the last day fixed for the payment of the call;
  - (g) he has been convicted of the offence dealing with related party transactions under section 188 at any time during the last preceding five years; or

- (h) he has not complied with sub-section (3) of section 152.
- (2) No person who is or has been a director of a company which –
  - (a) has not filed financial statements or annual returns for any continuous period of three financial years; or
  - (b) has failed to repay the deposits accepted by it or pay interest thereon or to redeem any debentures on the due date or pay interest due thereon or pay any dividend declared and such failure to pay or redeem continues for one year or more shall be eligible to be re-appointed as a director of that company or appointed in other company for a period of five years from the date on which the said company fails to do so.

#### **DIRECTORS VACATING OFFICE**

152. The office of a Director shall be vacated if :

- (i) he is found to be of unsound mind by a Court of competent jurisdiction;
- (ii) he applied to be adjudicated an insolvent;
- (iii) he is adjudicated an insolvent;
- (iv) he is convicted by a Court, of any offence involving moral turpitude or otherwise and sentenced in respect thereof to imprisonment for not less than six months and a period of five years has not elapsed from the expiry of the sentence; Provided that if a person has been convicted of any offence and sentenced in respect thereof to imprisonment for a period of seven years or more, he shall not be eligible to be appointed as a director in any company;
- (v) he fails to pay any call in respect of shares of the Company held by him, whether alone or jointly with others, within six months from the last date fixed for the payment of the call unless the Central Government by Notification in the Official Gazette removes the disqualification incurred by such failure;
- (vi) he absents himself from all the meetings of the Board of Directors held during a period of twelve months with or without seeking leave of absence of the Board;
- (vii) he is removed in pursuance of Section 169 of Act;
- (viii) having been appointed a Director by virtue of his holding any office or other employment in the Company, he ceases to hold such office or other employment in the Company;
- (ix) he acts in contravention of the provisions of Section 184 of the Act relating to entering into contracts or arrangements in which he is directly or indirectly interested;
- (x) he fails to disclose his interest in any contract or arrangement in which he is directly or indirectly interested, in contravention of the provisions of section 184.

#### **DIRECTOR MAY BE DIRECTOR OF COMPANIES PROMOTED BY THE COMPANY**

153. Subject to provisions of Section 203 of the Act, a Director may be or become a director of any company promoted by the Company, or in which it may be interested as a vendor, shareholder, or otherwise and no such Director shall be accountable for any benefit received as director or Shareholder of such company except in so far Section 197 or Section 188 of the Act may be applicable.

#### **RETIREMENT AND ROTATION OF DIRECTORS**

##### **RETIREMENT OF DIRECTORS BY ROTATION**

154.

- (1)

- (a) At every Annual General Meeting, not less than two-thirds of the total number of directors of a company shall -
    - (i) be persons whose period of office is liable to determination by retirement of directors by rotation; and
    - (ii) save as otherwise expressly provided in this Act, be appointed by the company in general meeting.
  - (b) The remaining directors in the case of any such company shall, in default of, and subject to any regulations in the articles of the company, also be appointed by the company in general meeting.
  - (c) At the first annual general meeting of a public company held next after the date of the general meeting at which the first directors are appointed in accordance with clauses (a) and (b) and a every subsequent annual general meeting, one-third of such of the directors for the time being as are liable to retire by rotation, or if their number is neither three nor a multiple of three, then, the number nearest to one-third, shall retire from office.
  - (d) The directors to retire by rotation at every annual general meeting shall be those who have been longest in office since their last appointment, but as between persons who became directors on the same day, those who are to retire shall, in default of and subject to any agreement among themselves, be determined by lot.
  - (e) At the annual general meeting at which a director retires as aforesaid, the company may fill up the vacancy by appointing the retiring director or some other person thereto.
- (2)
- (a) If the vacancy 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 holiday, at the same time and place.
  - (b) If at the adjourned meeting also, the vacancy 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–
    - 1. at that meeting or at the previous meeting a resolution for the re-appointment of such director has been put to the meeting and lost;
    - 2. the retiring director has, by a notice in writing addressed to the company or its Board of directors, expressed his unwillingness to be so re-appointed;
    - 3. he is not qualified or is disqualified for appointment;
    - 4. a resolution, whether special or ordinary, is required for his appointment or re-appointment by virtue of any provisions of this Act; or
    - 5. section 162 is applicable to the case.

#### **APPOINTMENT OF DIRECTOR TO BE VOTE INDIVIDUALLY**

155.

- 1) At a general meeting of a company, a motion for the appointment of two or more persons as directors of the company by a single resolution shall not be moved unless a proposal to move such a motion has first been agreed to at the meeting without any vote being cast against it.
- 2) A resolution moved in contravention of sub-section (1) shall be void, whether or not any objection was taken when it was moved.
- 3) A motion for approving a person for appointment, or for nominating a person for appointment as a director, shall be treated as a motion for his appointment.

156.

- (1) A person who is not a retiring director in terms of section 152 shall, subject to the provisions of this Act, be eligible for appointment to the office of a director at any general meeting, if he, or some member intending to propose him as a director, has, not less than fourteen days before the meeting, left at the registered office of the company, a notice in writing under his hand signifying his candidature as a director or, as the case may be, the intention of such member to propose him as a candidate for that office, along with the deposit of one lakh rupees or such higher amount as may be determined by central government which shall be refunded to such person or, as the case may be, to the member, if the person proposed get selected as a director or gets more than twenty-five per cent. of total valid votes cast either on show of hands or on poll on such resolution.
- (2) The company shall inform its members of the candidature of a person for the office of director under sub-section (1) in such manner as may be determined by central government.

### **RESIGNATION OF DIRECTOR**

157.

- 1) A director may resign from his office by giving a notice in writing to the company and the Board shall on receipt of such notice take note of the same and the company shall intimate the Registrar in such manner, within such time and in such form as may be determined by central government and shall also place the fact of such resignation in the report of directors laid in the immediately following general meeting by the company:

Provided that a director shall also forward a copy of his resignation along with detailed reasons for the resignation to the Registrar within thirty days of resignation in such manner as may be determined by central government.

- 2) The resignation of a director shall take effect from the date on which the notice is received by the company or the date, if any, specified by the director in the notice, whichever is later:

Provided that the director who has resigned shall be liable even after his resignation for the offences which occurred during his tenure.

- 3) Where all the directors of a company resign from their offices, or vacate their offices under Section 167 of the Act, the promoter or, in his absence, the Central Government shall appoint the required number of directors who shall hold office till the directors are appointed by the company in general meeting.

### **REGISTER OF DIRECTORS AND KEY MANAGERIAL PERSONNEL AND NOTIFICATION OF CHANGES TO REGISTRAR**

158. The Company shall keep at its registered office, a Register of Director, Managing Director, Manager and Secretary and key managerial personnel of the Company containing the particulars as required by Section 170 of the Act and shall send to the Registrar a return in the prescribed form containing the particulars specified in the said register and shall notify to the Registrar any change among its Directors, Managing Directors, Manager, Secretary and key managerial personnel or any of the particulars contained in the register as required by Section 170 of the Act.

### **APPOINTMENT OF TECHNICAL OR EXECUTIVE DIRECTORS**

159.

- a. The Board of Directors shall have the right from time to time to appoint any person or persons as Technical Director or Executive Director/s and remove any such persons from time to time without assigning any reason whatsoever. A Technical Director or Executive Director shall not be required to hold any qualification shares and shall not be entitled to vote at any meeting of the Board of Directors.
- b. Subject to the provisions of Section 161 of the Act, if the office of any Director appointed by the Company in General Meeting vacated before his term of office will expire in the normal course, the resulting casual vacancy may in default of and subject to any regulation in the Articles of the Company be filled by the Board of Directors at the meeting of the Board and the Director so appointed shall hold office only up to the date up to which the Director in whose place he is appointed would have held office if had not been vacated as

aforesaid.

## REMOVAL OF DIRECTORS

160.

- 1) A company may, by ordinary resolution, remove a director, not being a director appointed by the Tribunal under section 242, before the expiry of the period of his office after giving him a reasonable opportunity of being heard:

Provided that nothing contained in this sub-section shall apply where the company has availed itself of the option given to it under section 163 to appoint not less than two thirds of the total number of directors according to the principle of proportional representation.

- 2) A special notice shall be required of any resolution, to remove a director under this section, or to appoint somebody in place of a director so removed, at the meeting at which he is removed.
- 3) On receipt of notice of a resolution to remove a director under this section, the company shall forthwith send a copy thereof to the director concerned, and the director, whether or not he is a member of the company, shall be entitled to be heard on the resolution at the meeting.
- 4) Where notice has been given of a resolution to remove a director under this section and the director concerned makes with respect thereto representation in writing to the company and requests its notification to members of the company, the company shall, if the time permits it to do so,—
  - (a) in any notice of the resolution given to members of the company, state the fact of the representation having been made; and
  - (b) send a copy of the representation to every member of the company to whom notice of the meeting is sent (whether before or after receipt of the representation by the company), and if a copy of the representation is not sent as aforesaid due to insufficient time or for the company's default, the director may without prejudice to his right to be heard orally require that the representation shall be read out at the meeting: Provided that copy of the representation need not be sent out and the representation need not be read out at the meeting if, on the application either of the company or of any other person who claims to be aggrieved, the Tribunal is satisfied that the rights conferred by this sub-section are being abused to secure needless publicity for defamatory matter; and the Tribunal may order the company's costs on the application to be paid in whole or in part by the director notwithstanding that he is not a party to it.
- 5) A vacancy created by the removal of a director under this section may, if he had been appointed by the company in general meeting or by the Board, be filled by the appointment of another director in his place at the meeting at which he is removed, provided special notice of the intended appointment has been given under sub-section (2).
- 6) A director so appointed shall hold office till the date up to which his predecessor would have held office if he had not been removed.
- 7) If the vacancy is not filled under sub-section (5), it may be filled as a casual vacancy in accordance with the provisions of this Act:
 

Provided that the director who was removed from office shall not be re-appointed as a director by the Board of Directors.
- 8) Nothing in this section shall be taken -
  - (a) as depriving a person removed under this section of any compensation or damages payable to him in respect of the termination of his appointment as director as per the terms of contract or terms of his appointment as director, or of any other appointment terminating with that as director; or
  - (b) as derogating from any power to remove a director under other provisions of this Act.

## ELIGIBILITY FOR RE-ELECTION

161. A retiring Director shall be eligible for re-election.

## **PROCEEDINGS OF DIRECTORS**

### **MEETINGS OF BOARD**

162.

- 1) A minimum number of four meetings of its Board of Directors every year in such a manner that not more than one hundred and twenty days shall intervene between two consecutive meetings of the Board:

Provided that the Central Government may, by notification, direct that the provisions of this sub section shall not apply in relation to any class or description of companies or shall apply subject to such exceptions, modifications or conditions as may be specified in the notification.

- 2) The participation of directors in a meeting of the Board may be either in person or through video conferencing or other audio visual means, as may be determined by central government, which are capable of recording and recognising the participation of the directors and of recording and storing the proceedings of such meetings along with date and time:

Provided that the Central Government may, by notification, specify such matters which shall not be dealt with in a meeting through video conferencing or other audio visual means.

- 3) A meeting of the Board shall be called by giving not less than seven days' notice in writing to every director at his address registered with the company and such notice shall be sent by hand delivery or by post or by electronic means:

Provided that 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 further 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.

### **QUORUM**

163.

- 1) The quorum for a meeting of the Board of Directors of a company shall be one third of its total strength or two directors, whichever is higher, and the participation of the directors by video conferencing or by other audio visual means shall also be counted for the purposes of quorum under this sub-section.
- 2) The continuing directors may act notwithstanding any vacancy in the Board; but if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the company and for no other purpose.
- 3) Where at any time the number of interested directors exceeds or is equal to two thirds of the total strength of the Board of Directors, the number of directors who are not interested directors and present at the meeting, being not less than two, shall be the quorum during such time.
- 4) Where a meeting of the Board could not be held for want of quorum, then, unless the articles of the company otherwise provide, the meeting shall automatically stand adjourned to the same day at the same time and place in the next week 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.

### **DECISION OF QUESTIONS**

164. Subject to the provisions of the Act, question arising at any meeting of the Board shall be decided by a majority of votes and in case of an equality of votes, the Chairman shall have a second or casting vote.

## **BOARD MAY APPOINT CHAIRMAN, CO-CHAIRMAN AND VICE CHAIRMAN**

165. The Board may elect a Chairman, a Co-Chairman and a Vice Chairman of their Meetings and of the Company and determine the period for which he is to hold office. The Chairman or in his absence the Co-Chairman or the Vice Chairman shall be entitled to take the Chair at every General Meeting, whether Annual or Extraordinary, or if there be no such Chairman or Co-Chairman or Vice Chairman of the Board of Directors, or if at any Meeting neither of these shall be present within fifteen minutes of the time appointed for holding such Meeting, the Directors present may choose one of their members to be the Chairman of the Meeting of their meetings and determine the period for which he is to hold office, but if no such Chairman is elected or if at any meeting the Chairman is not present within ten minutes after the time appointed for holding the meeting, the Directors present may choose one of their members to be the Chairman of the Meeting.

## **POWER OF BOARD MEETING**

166. A meeting of the Board at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions which by or under the Act or the Articles are for the time being vested in or exercisable by the Board generally.
167. Subject to the restrictions contained in Section 179 of the Act, the Board may delegate any of its power to a Committee of the Board consisting of such member or members of its body or any other person as it thinks fit and it may from time to time revoke and discharge any such committee of the Board so formed, shall in the exercise of the power so delegated confirm to any regulations that may from time to time be imposed on it by the Board. All acts done by such Committee of the Board in conformity with such regulations and in fulfillment of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board.

## **MEETING OF THE COMMITTEE HOW TO BE GOVERNED**

168. The meeting and proceedings of any such Committee of the Board consisting of two or more persons shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Board, so far as the same are applicable thereto and are not superseded by any regulations made by the Board under the last preceding Article.

## **DEFECTS IN APPOINTMENT OF DIRECTORS NOT TO INVALIDATE ACTIONS TAKEN**

169. No act done by a person as a director shall be deemed to be invalid notwithstanding that it was subsequently noticed that his appointment was invalid by reason of any defect or disqualification or had terminated by virtue of any provision contained in this Act or in the articles of the company:

Provided that nothing in this section shall be deemed to give validity to any act done by the director after his appointment has been noticed by the company to be invalid or to have terminated.

## **PASSING OF RESOLUTION BY CIRCULATION**

170. 1) No resolution shall be deemed to have been duly passed by the Board or by a committee thereof by circulation, unless 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 such electronic means as may be determined by central government and has been approved 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 chairperson shall put the resolution to be decided at a meeting of the Board.

- 2) A resolution under sub-section (1) above shall be noted at a subsequent meeting of the Board or the committee thereof, as the case may be, and made part of the minutes of such meeting.

## **SPECIAL NOTICE**



171. Where by any provision contained in the Act or in these Articles special notice is required for any resolution, notice of the intention to move the resolution shall be given to the Company by such number of members holding not less than one per cent. of total voting power or holding shares on which such aggregate sum not exceeding five lakh rupees, as may be prescribed, has been paid-up, not less than fourteen days before the meeting at which it is to be moved exclusive of the day on which the notice is served or deemed to be served and the day of the meeting. The Company shall immediately after the notice of the intention to move any such resolution has been received by it, give its members notice of the resolution in the same manner as it gives notice of the meeting, or if that is not practicable, shall give them notice thereof either by advertisement in a newspaper having an appropriate circulation or in any other mode allowed by these presents not less than seven days before the meeting.

#### **GENERAL POWERS OF THE BOARD**

172.

- 1) The Board of Directors of a 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 in exercising such power or doing such act or thing, the Board shall be subject to the provisions contained in that behalf in this Act, or in the memorandum or articles, or in any regulations not inconsistent therewith and duly made there under, including regulations made by the company in general meeting:

Provided further that the Board shall not exercise any power or do any act or thing which is directed or required, whether under this Act or by the memorandum or articles of the company or otherwise, to be exercised or done by the company in general meeting.

- 2) 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.

#### **CERTAIN POWERS TO BE EXERCISED BY THE BOARD ONLY AT MEETINGS**

173. The Board of Directors of a company shall exercise the following powers on behalf of the company by means of resolutions passed at meetings of the Board, namely: -

- (a) to make calls on shareholders in respect of money unpaid on their shares;
- (b) to authorize buy-back of securities under section 68;
- (c) to issue securities, including debentures, whether in or outside India;
- (d) to borrow monies;
- (e) to invest the funds of the company;
- (f) to grant loans or give guarantee or provide security in respect of loans;
- (g) to approve financial statement and the Board's report;
- (h) to diversify the business of the company;
- (i) to approve amalgamation, merger or reconstruction;
- (j) to take over a company or acquire a controlling or substantial stake in another company;
- (k) to make political contributions;
- (l) to appoint or remove key managerial personnel (KMP);
- (m) to take note of appointment(s) or removal(s) of one level below the Key Managerial Personnel;

- (n) to appoint internal auditors and secretarial auditor;
- (o) to take note of disclosure of director's interest and shareholding;
- (p) to buy, sell investments held by the company (other than trade investments) constituting five percent or more of the paid up share capital and free reserve of the investee company;
- (q) to invite and accept or renew public deposits and related matters;
- (r) to review or change the terms and conditions of public deposit;
- (s) to approve quarterly, half yearly and annual financial statements or financial results as the case may be. Provided that the Board may, by a resolution passed at a meeting, delegate to any committee of directors, the managing director, the manager or any other principal officer of the company or in the case of a branch office of the company, the principal officer of the branch office, the powers specified in clauses (d) to (f) on such conditions as it may specify:

Nothing in this section shall be deemed to affect the right of the company in general meeting to impose restrictions and conditions on the exercise by the Board of any of the powers specified in this section.

### **RESTRICTIONS ON POWERS OF BOARD**

174.

- 1) The Board of Directors of a company shall exercise the following powers only with the consent of the company by a special resolution, namely: -
  - a. to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the company or where the company owns more than one undertaking, of the whole or substantially the whole of any of such undertakings.
  - b. to invest otherwise in trust securities the amount of compensation received by it as a result of any merger or amalgamation;
  - c. to borrow money, where the money to be borrowed, together with the money already borrowed by the company will exceed aggregate of its paid-up share capital and free reserves, apart from temporary loans obtained from the company's bankers in the ordinary course of business:  
Provided that the acceptance by a banking company, in the ordinary course of its business, of deposits of money from the public, repayable on demand or otherwise and with drawables by cheque, draft, order or otherwise, shall not be deemed to be a borrowing of monies by the banking company within the meaning of this clause.
  - d. to remit, or give time for the repayment of, any debt due from a director.
- 2) Every special resolution passed by the company in general meeting in relation to the exercise of the powers referred to in clause (c) of sub-section (1) shall specify the total amount up to which monies may be borrowed by the Board of Directors.
- 3) Nothing contained in clause (a) of sub-section (1) shall affect –
  - (a) the title of a buyer or other person who buys or takes on lease any property investment or undertaking as is referred to in that clause, in good faith; or
  - (b) the sale or lease of any property of the company where the ordinary business of the company consists of, or comprises, such selling or leasing.
- 4) Any special resolution passed by the company consenting to the transaction as is referred to in clause (a) of sub-section (1) may stipulate such conditions as may be specified in such resolution, including conditions regarding the use, disposal or investment of the sale proceeds which may result from the transactions:  
  
Provided that this sub-section shall not be deemed to authorise the company to effect any reduction in its capital except in accordance with the provisions contained in this Act.
- 5) No debt incurred by the company in excess of the limit imposed by clause (c) of sub-section (1) shall be

valid or effectual, unless the lender proves that he advanced the loan in good faith and without knowledge that the limit imposed by that clause had been exceeded.

#### **POWER TO BORROW**

175. Subject to the provisions of Sections 73 and 180 of the Act, the Board may, from time to time at its discretion and by means of resolutions passed at its meeting accept deposits from members either in advance of calls or otherwise and generally, raise or borrow or secure the payment of any sum or sums of money for the purposes of the Company.
176. All the provisions applicable to nomination facility available to shareholder(s) and debenture holder(s) enumerated in these Articles shall equally apply to deposit holder(s) and the provisions of Section 72 of the Act shall also apply.

#### **THE PAYMENT OR REPAYMENT OF MONEYS BORROWED**

177. The payment or repayment of moneys borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the Board of Directors may think fit, and in particular in pursuance of a resolution passed at a meeting of the Board (and not by circular resolution) by the issue of bonds, debentures or debentures stock of the Company, charged upon all or any part of the property of the Company, (both present and future), including its un-called capital for the time being and the debentures and the debenture stock and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.

#### **BONDS, DEBENTURES, ETC. TO BE SUBJECT TO CONTROL OF DIRECTORS**

178. Any bonds, debentures, debenture-stock or other securities issued or to be issued by the Company shall be under the control of the Directors who may issue them upon such terms and condition and in such manner and for such consideration as they shall consider to be for the benefit of the Company.

Provided that bonds, debentures, debenture-stock or other securities so issued or to be issued by the Company with the right to allotment of or conversion into shares shall not be issued except with the sanction of the Company in general meeting.

#### **CONDITION ON WHICH MONEY MAY BE BORROWED**

179. The Board may raise or secure the payment of such sum or sums in such manner and upon such terms and conditions in all respects as it thinks fit and in particular by the issue of bonds, perpetual or redeemable debenture-stock or any mortgage, charge or other security on the undertaking of the whole or any part of the Company (both present and future) including its uncalled capital for the time being. The Board shall exercise such power only by means of resolutions passed at its meetings and not by circular resolutions.

#### **TERMS OF ISSUE OF DEBENTURES**

180. Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in the General Meeting by a Special Resolution.

#### **DEBENTURES WITH VOTING RIGHTS NOT BE ISSUED**

181. 1) A company may issue debentures with an option to convert such debentures into shares, either wholly or partly at the time of redemption:

Provided that the issue of debentures with an option to convert such debentures into shares, wholly or partly, shall be approved by a special resolution passed at a general meeting.

- 2) No company shall issue any debentures carrying any voting rights.
- 3) Secured debentures may be issued by a company subject to such terms and conditions as may be determined by central government.
- 4) Where debentures are issued by a company under this section, the company shall create a debenture redemption reserve account out of the profits of the company available for payment of dividend and the amount credited to such account shall not be utilized by the company except for the redemption of debentures.
- 5) No company shall issue a Draft Prospectus or make an offer or invitation to the public or to its members exceeding five hundred for the subscription of its debentures, unless the company has, before such issue or offer, appointed one or more debenture trustees and the conditions governing the appointment of such trustees shall be such as may be determined by central government.
- 6) A debenture trustee shall take steps to protect the interests of the debentureholders and redress their grievances in accordance with such rules as may be determined by central government.
- 7) Any provision contained in a trust deed for securing the issue of debentures, or in any contract with the debenture-holders secured by a trust deed, shall be void in so far as it would have the effect of exempting a trustee thereof from, or indemnifying him against, any liability for breach of trust, where he fails to show the degree of care and due diligence required of him as a trustee, having regard to the provisions of the trust deed conferring on him any power, authority or discretion:

Provided that the liability of the debenture trustee shall be subject to such exemptions as may be agreed upon by a majority of debenture-holders holding not less than three-fourths in value of the total debentures at a meeting held for the purpose.

- 8) A company shall pay interest and redeem the debentures in accordance with the terms and conditions of their issue.
- 9) Where at any time the debenture trustee comes to a conclusion that the assets of the company are insufficient or are likely to become insufficient to discharge the principal amount as and when it becomes due, the debenture trustee may file a petition before the Tribunal and the Tribunal may, after hearing the company and any other person interested in the matter, by order, impose such restrictions on the incurring of any further liabilities by the company as the Tribunal may consider necessary in the interests of the debenture-holders.
- 10) Where a company fails to redeem the debentures on the date of their maturity or fails to pay interest on the debentures when it is due, the Tribunal may, on the application of any or all of the debenture-holders, or debenture trustee and, after hearing the parties concerned, direct, by order, the company to redeem the debentures forthwith on payment of principal and interest due thereon.
- 11) If any default is made in complying with the order of the Tribunal under this section, every officer of the company who is in default shall be punishable with imprisonment for a term which may extend to three years or with fine which shall not be less than two lakh rupees but which may extend to five lakh rupees, or with both.
- 12) A contract with the company to take up and pay for any debentures of the company may be enforced by a decree for specific performance.
- 13) The Central Government may prescribe the procedure, for securing the issue of debentures, the form of debenture trust deed, the procedure for the debenture-holders to inspect the trust deed and to obtain copies thereof, quantum of debenture redemption reserve required to be created and such other matters.

#### **EXECUTION OF INDEMNITY**

182. If the Directors or any of them or any other persons shall become personally liable for the payment of any sum primarily due from the Company, the Board may execute or cause to be executed any mortgage, charge or security

over or affecting the whole or any part of the assets of the Company by way of indemnity against any loss which the Directors or any one or more of them may suffer by reason of becoming or being sureties or surety for the company.

### **CERTAIN POWERS OF THE BOARD**

183. Without prejudice to the general powers conferred by these Articles and so as not in any way to limit or restrict those powers, but subject however to the provisions of the Act, it is hereby expressly declared that the Board shall have the following powers:
- 1) To pay the costs, charges and expenses preliminary and incidental to the promotion, formation, establishment, and registration of the Company.
  - 2) Subject to Sections 179 and 188 and other applicable provisions of the Act, to purchase or otherwise acquire for the Company any property, movable or immovable, rights or privileges which the Company is authorized to acquire at or for such price or consideration and generally on such terms and conditions as they may think fit and in any such purchase or other acquisition to accept such title as the Board may believe or may be advised to be reasonably satisfactory.
  - 3) At its discretion and subject to the provisions of the Act, to pay for any property, rights, privileges acquired by or services rendered to the Company, either wholly or partially in cash or in shares, bonds, debentures, mortgages or other securities of the Company and any such shares may be issued either as fully paid up or with such amount credited as fully paid up thereon as may be agreed upon and any such bonds, debentures, mortgages or other securities may be either specifically charged upon all or any part of the property of the Company including its uncalled capital or not so charged.
  - 4) To secure the fulfillment of any contracts, agreements or engagements entered into by the Company by mortgage or charge of all or any of the property of the Company and its uncalled capital for the time being or in such manner as they may think fit.
  - 5) To appoint and at its discretion, remove or suspend, such managers, secretaries, officers, clerks, agents and employees for permanent, temporary or special services as it may from time to time think fit and to determine their power and duties and fix their salaries, emoluments remuneration and to require security in such instances and of such amounts as it may think fit.
  - 6) To accept from any member subject to the provisions of the Act, a surrender of his share or any part thereof on such terms and condition as shall be agreed.
  - 7) To appoint any person or persons (whether incorporated or not) to accept and hold in trust for the Company any property belonging to the Company or in which it is interested or for any other purpose and to execute and do all such deeds and things as may be required in relation to any such trust and to provide for the remuneration of such trustee or trustees.
  - 8) To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its officers or otherwise concerning the affairs of the Company and also to compound and allow time for payment or satisfaction of any debts due or any claims or demands by or against the Company and to refer any difference to arbitration and observe and perform the terms of any awards made therein either according to Indian Law or according to Foreign Law and either in India or abroad and observe and perform or challenge any award made therein.
  - 9) To refer any claims or demands by or against the Company or any difference to arbitration and observe and perform the awards.
  - 10) To act on behalf of the Company in all matters relating to bankruptcy and insolvency.
  - 11) To make and give receipts, releases and other discharges for money payable to the Company and for the claims and demands of the Company.
  - 12) To open and operate Bank Accounts, to determine from time to time who shall be entitled to sign, on the

Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents and to give the necessary authority for such purposes.

- 13) Subject to the provisions of the Act and these Articles from time to time to provide for the management of the affairs of the Company in or outside India in such manner as it may think fit and in particular to appoint any person to be the attorneys or agents of the Company with such person (including the power to sub-delegate) and upon such terms as may be thought fit.
- 14) Subject to the provisions of Sections 179, 180, 185 of Act and other applicable provisions of the Act and these Articles, to invest and deal with the moneys of the Company not immediately required for the purpose thereof in or upon such security (not being shares in this Company) or without security and in such manner as it may think fit and from time to time to vary or realize such investments save as provided in Section 187 of the Act, all investments shall be made and held in the Company's own name.
- 15) To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur, any personal liability for the benefit of the Company, such mortgages of the Company's property (present and future) as it thinks fit and any such mortgage may contain a power of sale and such other powers, covenants and provisions as shall be agreed upon.
- 16) To distribute by way of bonus amongst the staff of the Company a share or shares in the profits of the Company and to give to any Director, officer or other person employed by the Company a commission on the profits of any particular business or transaction and to charge such bonus or commission as a part of working expenses of the Company.
- 17) To provide for the welfare of employees or ex-employees of the Company and the wives and families or the dependents or connections of such persons by building or contributing to the building of houses, dwellings or chawls or by grants of money, pension, gratuity, annuities, allowances, bonuses or other payments or by creating and from time to time subscribing or contributing to, provident fund and other associations institutions, funds or trusts and by providing or subscribing or contributing towards places of instruction or recreations, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit.
- 18) To subscribe, incur expenditure or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or any other institutions or objects which shall have any moral or other claim to support or aid by the Company either by reason of locality of operation or of public and general utility or otherwise.
- 19) Before recommending any dividend, to set aside, out of the profits of the Company, such sums as it may think proper for depreciation or to a depreciation fund or to an insurance fund or as a reserve fund or sinking fund or any special fund to meet contingencies to repay debentures or for debenture-stock or for special dividends or for equalizing dividends or for repairing, improving, extending and maintaining any of the property of the Company and for such other purposes (including the purposes referred to in the last two preceding clauses) as the Board of Directors, may in its absolute discretion think conducive to the interest of the Company and subject to Section 292 of the Act to invest the several sums so set aside or so much thereof as is required to be invested, upon such investments (other than shares of this Company) as it may think fit and from time to time deal with and vary such investments and dispose off and apply and expend all or any part thereof for the benefit of the Company, in such manner & for such purposes as the Board of Directors in its absolute discretion think conducive to the interest of the Company notwithstanding that the matters to which the Board of Directors applies or upon which it expends the same or any part thereof may be matters to or upon which the capital moneys of the Company might rightly be applied or expended and to divide the general reserve fund into such special funds as the Board of Directors may think fit with full power to transfer the whole or any portion of a reserve fund or division of reserve fund to another reserve fund and with full power to employ the asset constituting all or any of the above funds including the depreciation fund in the business of the Company or in the purchase or repayment of debentures or debenture-stock and that without being bound to keep the same separate from the other assets and without being bound to pay interest on the same with power however to the Board of Directors at its discretion to pay or allow to the credit of such funds, interest at such rate as the Board of Directors may think proper.
- 20) To pay and charge to the capital account of the Company any commission or interest lawfully payable the

out under the provisions of the Act and of the provision contained in these presents.

- 21) From time to time make, vary and repeal by-laws for regulation of the business of the Company, its officers and servants.
- 22) To redeem redeemable preference shares.
- 23) Subject to provisions of the Act, for or in relation to any of the matters aforesaid or otherwise for the purpose of the Company to enter in to all such negotiations and contracts and rescind and vary all such contracts and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient.
- 24) To undertake any branch or kind of business which the company is expressly or by implication authorized to undertake at such time or times as it shall think fit and to keep in abeyance any such branch or kind of business even though it may have been actually commenced or not, so long as the Board may deem it expedient not to commence or proceed with such branch or kind of business.

### **APPOINTMENT OF INDEPENDENT DIRECTOR**

184. Pursuant to section 149 and rules as may be applicable and subject to the provisions of Schedule IV the company shall appoint such number of independent directors from time to time as may be determined by central government by the Central Government.

Every independent 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 circumstances which may affect his status as an independent director, give a declaration that he meets the criteria of independence.

Notwithstanding anything contained in any other provision of this Act, but subject to the provisions of sections 197 and 198, an independent director shall not be entitled to any stock option and may receive remuneration by way of fee provided under sub-section (5) of section 197, reimbursement of expenses for participation in the Board and other meetings and profit related commission as may be approved by the members.

Subject to the provisions of section 152, an independent director shall hold office for a term up to five consecutive years on the Board of a company, but shall be eligible for reappointment on passing of a special resolution by the company and disclosure of such appointment in the Board's report.

No independent director shall hold office for more than two consecutive terms, but such independent director shall be eligible for appointment after the expiration of three years of ceasing to become an independent director:

Provided that an independent director shall not, during the said period of three years, be appointed in or be associated with the company in any other capacity, either directly or indirectly.

Notwithstanding anything contained in this Act –

- (i) an independent director;
- (ii) a non-executive director not being promoter or key managerial personnel,

shall be held liable, only in respect of such acts of omission or commission by a company which had occurred with his knowledge, attributable through Board processes, and with his consent or connivance or where he had not acted diligently.

The provisions of sub-sections (6) and (7) of section 152 in respect of retirement of directors by rotation shall not be applicable to appointment of independent directors.

### **KEY MANAGERIAL PERSONNEL**

#### **APPOINTMENT OF KEY MANAGERIAL PERSONNEL**

185.

- 1) Subject to the provisions of Sections 203 and other applicable provisions, if any of the Act, Company shall appoint whole-time key managerial personnel by means of a resolution of the Board containing the terms and conditions of the appointment including the remuneration.
- 2) A whole-time key managerial personnel shall not hold office in more than one company except in its subsidiary company at the same time:

Provided that nothing contained in this sub-clause shall disentitle a key managerial personnel from being a director of any company with the permission of the Board:

Provided further that whole-time key managerial personnel holding office in more than one company at the same time on the date of commencement of this Act, shall, within a period of six months from such commencement, choose one company, in which he wishes to continue to hold the office of key managerial personnel:

Provided also that a company may appoint or employ a person as its managing director, if he is the managing director or manager of one, and of not more than one, other company and such appointment or employment is made or approved by a resolution passed at a meeting of the Board with the consent of all the directors present at the meeting and of which meeting, and of the resolution to be moved thereat, specific notice has been given to all the directors then in India.

- 3) If the office of any whole-time key managerial personnel is vacated, the resulting vacancy shall be filled-up by the Board at a meeting of the Board within a period of six months from the date of such vacancy.

#### **REMUNERATION OF KEY MANAGERIAL PERSONNEL**

186. The remuneration of Key Managerial Personnel shall from time to time, be fixed by the Board and may be by way of salary or commission or participation in profits or by any or all of these modes or in any other form and shall be subject to the limitations prescribed in Schedule V along with Sections 196 and 197 of the Act.

#### **DIRECTORS MAY CONFER POWER ON MANAGING DIRECTOR**

187. Subject to the provisions of the Act and to the restrictions contained in these Articles, Board may from time to time entrust to and confer upon a Managing Director for the time being such of the powers exercisable by the Board under these Articles as it may think fit and may confer such powers for such time and to be exercised for such objects and purposes and upon such terms and conditions and with such restrictions as it thinks expedient.

#### **CERTAIN PERSONS NOT TO BE APPOINTED AS MANAGING DIRECTORS**

188. No company shall appoint or continue the employment of any person as managing director, whole-time director or manager who –

- (a) is below the age of twenty-one years or has attained the age of seventy years:

Provided that appointment of a person who has attained the age of seventy years may be made by passing a special resolution in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such person;

- (b) is an undischarged insolvent or has at any time been adjudged as an insolvent;
- (c) has at any time suspended payment to his creditors or makes, or has at anytime made, a composition with them; or
- (d) has at any time been convicted by a court of an offence and sentenced for a period of more than six months.

A person shall not be eligible for appointment as a director of a company if such person suffers any of the disqualifications provided under Section 164 of the Act.



189. Special to any contract between him and the Company, a Managing or Wholetime Director shall not, while he continues to hold that office, be subject to retirement by rotation and he shall not be reckoned as a Director for the purpose of determining the rotation of retirement of Directors or in fixing the number of Directors to retire but (subject to the provision of any contract between him and the Company), he shall be subject to the same provisions as to resignation and removal as the Directors of the Company and shall, ipso facto and immediately, cease to be a Managing Director if he ceases to hold the office of Director from any cause.
190. The Company shall not appoint or employ at the same time more than one of the following categories of managerial personnel namely:-
- a) Managing Director and
  - b) Manager.

and shall duly observe the provisions of Section 196 of the Act regarding prohibition of simultaneous appointment of different categories of managerial personnel therein referred to.

#### **THE SECRETARY**

191. The Board may, from time to time, appoint and at its discretion, remove any individual (hereinafter called the Secretary) to perform any function which by the Act are to be performed by the Secretary and to execute any other ministerial or administrative duties which may from time to time be assigned to the Secretary by the Board. The Board may also at any time appoint some persons (who need not be the Secretary) to keep the registers required to be kept by the Company. The appointment of Secretary shall conform to the provisions of Section 203 of the Act.

#### **THE SEAL, ITS CUSTODY AND USE**

192. The Board of Directors shall provide a Common Seal for the purpose of the Company and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof and shall provide for the safe custody of the Seal for time being and the Seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board of Directors and except in the presence of at least two Director or such other person as the Directors may appoint for the purpose and the Directors or other persons aforesaid shall sign every instrument to which the Seal of the Company is so affixed in their presence.

#### **MINUTES**

- 193.
- 1) The Company shall cause minutes of all proceedings of every General Meeting and all proceedings of every meeting of its Board of /directors or of every Committee of the Board to be kept by making within thirty days of the conclusion of every such meeting concerned, entries thereof in books kept for that, their pages consecutively numbered.
  - 2) Each page of every such book shall be initialed or signed and the last Page of the record of proceedings of each meeting in such books shall be dated and signed.
    - (a) in the case of minutes of proceedings of a meeting of the Board or of a committee hereof, by the Chairman of the next succeeding meeting.
    - (b) In the case of minutes of proceedings of a General Meeting, by the chairman of the same meeting within the aforesaid period of thirty Days or in the event of the death or inability of that Chairman within that period, by a Director duly authorized by the Board for the purpose.
194. Minutes of proceedings of every General Meeting and of the proceedings of every meeting of the Board kept in accordance with the provisions of Article 198 above, shall be evidence of the proceedings recorded therein.
195. Where minutes of the proceedings of every General Meeting of the Company or of any meeting of the Board or of a Committee of the Board have been kept in accordance with the provisions of article 199 above then, until the

contrary is proved the meeting shall be deemed to have been duly called and held and all proceedings thereat to have duly taken place and in particular all appointments of Directors or liquidators made at the meeting shall be deemed to be Valid.

196.

- 1) The books containing the minutes of the proceedings of any General Meeting of the Company shall be kept at the registered office of the Company and shall be open for inspection of members without charge between the hours 2 p.m. and 5 p.m. during business hours on each working day except Saturday.
- 2) Any member of the Company shall be entitled to be furnished, within seven days after he has made a request in writing in that behalf to the Company, with a copy of any minutes referred above on payment of such sum not exceeding Ten Rupees for every page thereof required to be copied.
- 3) In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.
- 4) The minutes of different meetings shall contain a fair and correct summary of proceedings thereat.
- 5) All appointments of officers made at any of the meetings aforesaid shall be included in the minutes of the meeting.
- 6) In the case of a meeting of the Board of Directors or of a committee of the Board, the minutes shall also contain -
  - (a) the names of the directors present at the meeting; and
  - (b) in the case of each resolution passed at the meeting, the names of the directors, if any, dissenting from, or not concurring with the resolution.
- 7) Nothing contained in clauses (1) to (6) there shall not be included in the minutes, any matter which, in the opinion of the Chairman of the meeting –
  - (a) is or could reasonably be regarded as defamatory of any person; or
  - (b) is irrelevant or immaterial to the proceedings; or
  - (c) is detrimental to the interests of the company.

The Chairman shall exercise and absolute discretion in regard to the inclusion or non-inclusion of any matters in the minutes on the grounds specified in this clause.

#### **PRESUMPTIONS TO BE DRAWN WHERE MINUTES DULY DRAWN AND SIGNED**

197. Where minutes of the proceedings of any general meeting of the Company or of any meeting of its Board of Directors or of a Committee of the Board have been kept in accordance with the provisions of Section 118 of the act then, until the contrary is proved, the meeting shall be deemed to have been duly called and held, and all proceedings thereat to have duly taken place and in particular all appointments of directors or Liquidators made at the meeting shall be deemed to be valid and the minutes shall be evidence of the proceedings recorded therein.

#### **DIVIDENDS**

198.

- 1) No dividend shall be declared or paid by a company for any financial year except –
  - a) out of the profits of the company for that year arrived at after providing for depreciation or out of the profits of the company for any previous financial year or years arrived at after providing for depreciation in accordance with the provisions of that sub-section and remaining undistributed, or out of both; or
  - b) out of money provided by the Central Government or a State Government for the payment of dividend

by the company in pursuance of a guarantee given by that Government: Provided that a company may, before the declaration of any dividend in any financial year, transfer such percentage of its profits for that financial year as it may consider appropriate to the reserves of the company:

Provided further that where, owing to inadequacy or absence of profits in any financial year, any company proposes to declare dividend out of the accumulated profits earned by it in previous years and transferred by the company to the reserves, such declaration of dividend shall not be made except in accordance with such rules as may be determined by central government in this behalf:

Provided also that no dividend shall be declared or paid by a company from its reserves other than free reserves.

- 2) The depreciation shall be provided in accordance with the provisions of Schedule II of the act.
- 3) The Board of Directors of a company may declare interim dividend during any financial year out of the surplus in the profit and loss account and out of profits of the financial year in which such interim dividend is sought to be declared:

Provided that in case the company has incurred loss during the current financial year up to the end of the quarter immediately preceding the date of declaration of interim dividend, such interim dividend shall not be declared at a rate higher than the average dividends declared by the company during the immediately preceding three financial years.

- 4) The amount of the dividend, including interim dividend, shall be deposited in a scheduled bank in a separate account within five days from the date of declaration of such dividend.
- 5) No dividend shall be paid by a company in respect of any share therein except to the registered shareholder of such share or to his order or to his banker and shall not be payable except in cash:

Provided that nothing in this sub-section shall be deemed to prohibit the capitalization of profits or reserves of a company for the purpose of issuing fully paid-up bonus shares or paying up any amount for the time being unpaid on any shares held by the members of the company:

Provided further that any dividend payable in cash may be paid by cheque or warrant or in any electronic mode to the shareholder entitled to the payment of the dividend.

- 6) A company which fails to comply with the provisions of sections 73 and 74 shall not, so long as such failure continues, declare any dividend on its equity shares.

#### **DIVIDEND TO JOINT HOLDERS**

199. Any one of several persons who are registered as joint holders of any Shares may give effectual receipts for all dividends or bonus and payments on account of dividends in respect of such Shares.
200. Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the company, dividends may be declared and paid according to the amounts of the shares.

No amount paid or credited as paid on a share in advance of calls shall be treated as paid up on the share.

#### **APPORTIONMENT OF DIVIDENDS**

201. All dividends shall be apportioned and paid proportionate to the amounts paid or credited as paid on the shares, during any portion or portions of the period in respect of which the dividend is paid, but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

### **DECLARATION OF DIVIDENDS**

202. The Company in General Meeting may, subject to the provisions of Section 123 of the Act, declared a dividend to be paid to the members according to their right and interests in the profits and may fix the time for payment.

### **RESTRICTION ON AMOUNT OF DIVIDEND**

203. No larger dividend shall be declared than is recommended by the Board, but the Company in General Meeting may declare a smaller dividend.

### **DIVIDEND OUT OF PROFITS ONLY AND NOT TO CARRY INTEREST**

- 204.
- 1) No dividend shall be payable except out of the profits of the Company arrived at as stated in Section 123 of the Act.
  - 2) The declaration of the Board as to the amount of the net profits of the Company shall be conclusive.

### **INTERIM DIVIDENDS**

205. The Board of Directors may from time to time pay the members such interim dividends as appears to it to be justified by the profits of the Company in accordance with Section 123 of the Act.

### **DEBTS MAY BE DEDUCTED**

206. The Board may retain any dividends payable on shares on which the Company has a lien and may apply the same in or towards the satisfaction of the debts, liabilities or engagements in respect of which lien exists.

### **DIVIDEND AND CALL TOGETHER**

207. Any General Meeting declaring an dividend may make a call on the members of such amount as the meeting fixes but so that the call on each members shall not exceed the dividend payable on him and so that the call may be made payable at the same time as the dividend and dividend may; if so arranged between the Company and the member, be set off against the call.

### **EFFECT OF TRANSFER**

208. Right to dividend, right shares and bonus shares shall be held in abeyance pending registration of transfer of shares in conformity with the provision of Section 126 of the Act.

### **RETENTION IN CERTAIN CASES**

209. The Board may retain the dividends payable upon share in respect of which any person is under Articles entitled to become a member of which any person under that Article is entitled to transfer until such person shall become a member in respect of such shares or shall duly transfer the same.

### **NO MEMBER TO RECEIVE INTEREST OR DIVIDEND WHILST INDEBTED TO THE COMPANY AND COMPANY'S RIGHT TO REIMBURSEMENT THERE OUT**

210. No member shall be entitled to receive payment of an interest or dividend in respect of his own share or shares whilst any money may be due or owing from him to the Company in respect of such share or shares otherwise howsoever either alone or jointly with any other person or persons and the Board may deduct from the interest or dividend payable to any shareholder all sums or money so due from him to the Company.

### **PAYMENT BY POST**

211. Any dividend payable in cash may be paid by cheque or warrant sent through the post directly to the registered address of the shareholder entitled to the payment of the dividend or in the case of joint shareholders to the registered address of that one whose name stands first on the Register of Members in respect of the joint shareholding or to such persons and to such address as the shareholders of the joint shareholders may in writing

direct and every cheque or warrant so sent shall be made payable to the order of the person to whom it is sent and the Company shall not be responsible or liable for any cheque or warrant lost in transit or for any dividend lost to the member or person entitled thereto by the forged endorsement of any cheque or warrant of the fraudulent recovery thereof by any other means. The Company may, if it thinks fit, call upon the shareholders when applying for dividends or bonus to produce their share certificates at the registered office or other place where the payment of dividend is to be made.

#### **DIVIDEND TO BE PAID WITHIN THIRTY DAYS**

212. The Company shall pay dividend or send the warrant in respect thereof to the shareholder entitled to the payment of the dividend within Thirty days from the date of the declaration of the dividend unless:

- (a) the dividend could not be paid by reason of the operation of any law or
- (b) a shareholder has given directions to the Company regarding the payment of dividend and these directions can not be complied with or
- (c) there is dispute, regarding the right to receive the dividend or
- (d) the dividend has been lawfully adjusted by the Company against any sum due to it from the shareholder or
- (e) for any other reason, the failure to pay the dividend or to post the warrant within the period aforesaid was not due to any default on the part of the Company.

#### **UNPAID OR UNCLAIMED DIVIDEND**

213.

- 1) Where a dividend has been declared by a company but has not been paid or claimed within thirty days from the date of the declaration to any shareholder entitled to the payment of the dividend, the company shall, within seven days from the date of expiry of the said period of thirty days, transfer the total amount of dividend which remains unpaid or unclaimed to a special account to be opened by the company in that behalf in any scheduled bank to be called the Unpaid Dividend Account.
- 2) The company shall, within a period of ninety days of making any transfer of an amount under sub-section (1) to the Unpaid Dividend Account, prepare a statement containing the names, their last known addresses and the unpaid dividend to be paid to each person and place it on the website of the company, if any, and also on any other website approved by the Central Government for this purpose, in such form, manner and other particulars as may be determined by central government.
- 3) If any default is made in transferring the total amount referred to in sub-section (1) or any part thereof to the Unpaid Dividend Account of the company, it shall pay, from the date of such default, interest on so much of the amount as has not been transferred to the said account, at the rate of twelve per cent. per annum and the interest accruing on such amount shall endure to the benefit of the members of the company in proportion to the amount remaining unpaid to them.
- 4) Any person claiming to be entitled to any money transferred under sub-section (1) to the Unpaid Dividend Account of the company may apply to the company for payment of the money claimed.
- 5) Any money transferred to the Unpaid Dividend Account of a company in pursuance of this section which remains unpaid or unclaimed for a period of seven years from the date of such transfer shall be transferred by the company along with interest accrued, if any, thereon to the Fund established under sub-section (1) of section 125 and the company shall send a statement in the prescribed form of the details of such transfer to the authority which administers the said Fund and that authority shall issue a receipt to the company as evidence of such transfer.
- 6) All shares in respect of which unpaid or unclaimed dividend has been transferred under sub-section (5) shall also be transferred by the company in the name of Investor Education and Protection Fund along with a statement containing such details as may be determined by central government and that there shall be no forfeiture of unclaimed dividends before the claim becomes barred by law:

Provided that any claimant of shares transferred above shall be entitled to claim the transfer of shares from Investor Education and Protection Fund in accordance with such procedure and on submission of such documents as may be determined by central government.

#### **CAPITALIZATION OF RESERVES**

214.

- a. Any General Meeting may, upon the recommendation of the Board resolve that any moneys, investments or other assets forming part of the undistributed profits of the Company standing to the credit of any of the profit and loss account or any capital redemption reserve fund or in hands of the Company and available for dividend

or representing premium received on the issue of shares and standing to the credit of the share premium account be capitalized and distributed amongst such of the shareholders as would be entitled to receive the same if distributed by way of dividend and in the same proportions on the footing that they become entitled thereto as capital and that all or any part of such capitalized fund shall not be paid in cash but shall be applied subject to the provisions contained in clause (b) hereof on behalf of such shareholders in full or towards:

- (1) Paying either at par or at such premium as the resolution may provide any unissued shares or debentures or debenture-stock of the Company which shall be allotted, distributed and credited as fully paid up to and amongst such members in the proportions aforesaid; or
  - (2) Paying up any amounts for the time being remaining unpaid on any shares or debentures or debenture-stock held by such members respectively; or
  - (3) Paying up partly in the way specified in sub-clause (1) and partly in that specified in sub-clause (2) and that such distribution or payment shall be accepted by such shareholders in full satisfaction of their interest in the said capitalized sum.
- b.
- (1) Any moneys, investments or other assets representing premium received on the issue of shares and standing to the credit of share premium account; and
  - (2) If the Company shall have redeemed any redeemable preference shares, all or any part of any capital redemption fund arising from the redemption of such shares may, by resolution of the Company be applied only in paying up unissued shares of the Company to be issued to members of the Company as fully paid bonus shares to be issued to such members of the Company as the General Meeting may resolve upto an amount equal to the nominal amount of the shares so issued.
- c. Any General Meeting may resolve that any surplus moneys arising from the realization of any capital assets of the Company or any investments representing the same or any other undistributed profits of the Company not subject to charge for income-tax be distributed amongst the members on the footing that they receive the same as capital.
- d. For the purpose of giving effect to any such resolution, the Board may settle any difficulty which may arise in regard to the distribution of payment as aforesaid as it thinks expedient and in particular it may issue fractional certificates and may fix the value for distribution of any specific assets and may determine that cash payments be made to any members on the footing of the value so fixed and may vest any such cash, share, debentures, debenture-stock, bonds or other obligation in trustees upon such trust for the persons entitled thereto as may seem expedient to the Board and generally may make such arrangement for acceptance, allotment and sale of such shares, debentures, debenture-stock, bonds or other obligations and fractional certificates or otherwise as it may think fit.
- e. If and whenever any share becomes held by any member in fraction, the Board may subject to the provisions of the Act and these Articles and to the directions of the Company in General Meeting, if any, sell the shares which members hold in fractions for the best price reasonably obtainable and shall pay and distribute to and amongst the members entitled to such shares in due proportion the net proceeds of the sale thereof, for the purpose of giving effect to any such sale, the Board may authorize any person to transfer the shares sold to the purchaser thereof, comprised in any such transfer and he shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity or of invalidity in the proceedings with reference to the sale.
- f. Where required; a proper contract shall be delivered to the Registrar for registration in accordance with Section 39 of the Companies Act 2013 and the Board may appoint any person to sign such contract on behalf of the persons entitled to the dividend or capitalized fund and such appointment shall be effective.

#### **FRACTIONAL CERTIFICATES**

215.

- (1) Whenever such a resolution as aforesaid shall have been passed, the Board shall;
  - (a) make all appropriations and applications of the undivided profits resolved to be capitalized thereby and all allotments and issues of fully paid Shares and
  - (b) Generally do all acts and things required to give effect thereto.
- (2) The Board shall have full power:
  - (a) to make such provision by the issue of fractional cash certificate or by payment in cash or otherwise as it thinks fit, in the case of Shares becoming distributable in fractions, also
  - (b) to authorize any person to enter, on behalf of all the Members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further

Shares to which they may be entitled upon such capitalization or (as the case may require) for the payment by the Company on their behalf by the application thereof of the respective proportions of the profits resolved to be capitalised of the amounts remaining unpaid on their existing Shares.

- (3) Any agreement made under such authority shall be effective and binding on all such Members.
- (4) that for the purpose of giving effect to any resolution, under the preceding paragraph of this Article, the Directors may give such directions as may be necessary and settle any question or difficulties that may arise in regard to any issue including distribution of new Shares and fractional certificates as they think fit.

#### **DIVIDEND IN CASH**

216. No dividends shall be payable except in cash, provided that nothing in this Article shall be deemed to prohibit the capitalization of the profits or reserves of the Company for the purpose of issuing fully paid up bonus Shares or paying up any amount for the time being unpaid on any Shares held by Members of the Company.
217. The Board shall give effect to the resolution passed by the Company in pursuance of all the above Articles.

#### **BOOKS OF ACCOUNTS**

##### **BOOKS OF ACCOUNTS TO BE KEPT**

218. The Company shall cause to be kept proper books of account with respect to:
  - (i) all sums of money received and expended by a company and matters in relation to which the receipts and expenditure take place;
  - (ii) all sales and purchases of goods and services by the company;
  - (iii) the assets and liabilities of the company; and
  - (iii) the items of cost as may be determined by central government under section 148 in the case of a company which belongs to any class of companies specified under that section;

##### **BOOKS WHERE TO BE KEPT AND INSPECTION**

219.
  - 1) Every company shall prepare and keep at its registered office books of account and other relevant books and papers and financial statement for every financial year which give a true and fair view of the state of the affairs of the company, including that of its branch office or offices, if any, and explain the transactions effected both at the registered office and its branches and such books shall be kept on accrual basis and according to the double entry system of accounting.

All or any of the books of account aforesaid and other relevant papers may be kept at such other place in India as the Board of Directors may decide and where such a decision is taken, the company shall, within seven days thereof, file with the Registrar a notice in writing giving the full address of that other place. The company may keep such books of account or other relevant papers in electronic mode in such manner as may be determined by central government.
  - 2) Where a company has a branch office in India or outside India, it shall be deemed to have complied with the provisions of sub-clause (1), if proper books of account relating to the transactions effected at the branch office are kept at that office and proper summarized returns periodically are sent by the branch office to the company at its registered office or the other place referred to in sub-clause (1).
  - 3) The books of account of every company relating to a period of not less than eight financial years immediately preceding a financial year, or where the company had been in existence for a period less than eight years, in respect of all the preceding years together with the vouchers relevant to any entry in such books of account shall be kept in good order.
  - 4) The Company may keep such books of accounts or other relevant papers in electronic mode in such manner as may be prescribed.

#### **INSPECTION BY MEMBERS**

220. Board of Directors shall, from time to time, determine whether and to what extent and at what times and places and under what conditions or regulations accounts the and books and the documents of the Company or any of them shall be open to the inspection of the members and no member (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred statute or authorised by the Board of Directors or by a resolution of the Company in General Meeting.

#### **TRANSFER BOOKS AND REGISTER OF MEMBERS WHEN CLOSED**

221. The Board shall have power on giving not less than seven days' previous notice by advertisement in some newspaper circulating in the district in which the office of the Company is situated, to close the Transfer books, the Register of members or Register of debenture holders at such time or times and for such period or periods, not exceeding thirty days at a time and not exceeding in the aggregate forty-five days in each year.

If the transfer books have not been closed at any time during a year, the Company shall at least once a year, close the books at the time of its Annual General Meeting. The minimum time gap between the two book closures and/or record dates would be at least 30 (thirty) days.

#### **STATEMENT OF ACCOUNTS TO BE LAID IN GENERAL MEETING**

222. The Board of Directors shall from time to time, in accordance with Sections 129 and 134 of the Act, cause to be prepared and to be laid before the Company in General Meeting, such Balance Sheets, Profits & Loss Accounts and reports as are required by these Sections.

#### **FINANCIAL STATEMENT**

223. Subject to the provisions of Section 129 of the Act, every Financial Statement of the Company shall be in the forms set out in Schedule II of the Act, or as near there to as circumstances admit. So long as the Company is a holding Company having a subsidiary the Company shall conform to Section 129 and other applicable provisions of the Act.

If in the opinion of the Board, any of the current assets of the Company have not a value on realization in the ordinary course of business at least equal to the amount at which they are stated, the fact that the Board is of that opinion shall be stated.

#### **AUTHENTICATION OF FINANCIAL STATEMENT**

224. The Financial Statements shall be signed in accordance with the provisions of Section 134 of the said Act. The Financial Statement, shall be approved by the Board of Directors before they are submitted to the auditors for report thereon Profit and Loss Accounts to be Annexed and Auditors' Report to be attached to the Balance Sheet. The Profit and Loss Account shall be annexed to the Balance and the Auditors' Report including the Auditor's separate, special or supplementary report, if any, shall be attached thereon.

#### **BOARD'S REPORT TO BE ATTACHED TO FINANCIAL STATEMENT**

225. Every Financial Statement laid before the Company in General Meeting shall have attached to it a Report by the Board of Directors with respect to the State of the Company's affairs and such other matters as prescribed under Section 134 of the Act and the Rules made thereunder. The Report shall so far as it is material for the appreciation of the state of the Company's affairs by its members and will not in the Board's opinion be harmful to the business of the Company or of any of its subsidiaries deal with any changes which have occurred during the financial year in the nature of the Company's business, or of the Company's subsidiaries or in the nature of the business in which the Company has an interest. The board shall also give the fullest information and explanation in its Report or in cases falling under the proviso to Section 129 of the Act in an addendum to that Report, on every reservation, qualification or adverse remark contained in the Auditor's Report. The Board's Report and addendum (if any) thereto shall be signed by its Chairman if he is authorized in that behalf by the Board; and where he is not so authorized shall be signed by such number of Directors as are required to sign the Financial Statements of the Company by virtue of sub-clauses (a) and (b) of Article 229. The Board shall have the right to charge any person not being a Director with the duty of seeing that the provisions of sub-clauses (a) and (b) of this Article are complied with. Every Financial Statement of the Company when audited and approved and adopted by the members in the annual general meeting shall be conclusive except as regards in matters in respect of which modifications are made thereto as may from time to time be considered necessary by the Board of Directors and or considered proper by reason of any provisions of relevant applicable statutes and approved by the shareholders at a subsequent general meeting.

#### **RIGHT OF MEMBERS TO COPIES OF FINANCIAL STATEMENT AND AUDITOR'S REPORT**

226. A copy of every Financial Statement and the auditor's report and every other document required by law to be annexed or attached, as the case may be; to the balance sheet which is to be laid before the Company in General Meeting, shall be made available for inspection at the Registered Office of the Company during the working hours for a period of 21 days before the date of the meeting. A statement containing the salient features of such documents in the prescribed form or copies of the documents aforesaid as may be permitted by Section 136 of the Act and as the Company may deem fit, will be sent to every member of the Company and to every Trustees for the holders of any debentures issued by the Company, not less than 21 days before the meeting as laid down in Section 136 of the Act. Provided that it shall not be necessary to send copies of the documents aforesaid to:



- (a) to a member or holder of the debenture of the Company who is not entitled to have the notice of general meeting of the Company sent to him and whose address the Company is unaware;
- (b) to more than one of the joint holder of any shares or debentures some of whom are and some of whom are not entitled to have such notice sent to them, by those who are not so entitled.

#### **A COPY OF THE FINANCIAL STATEMENT ETC. TO BE FILED WITH REGISTRAR**

227. After the Financial Statements have been laid before the Company at the annual general Meeting, a copy of the Financial Statement duly signed as provided under Section 137 of the Act together with a copy of all documents which are required to be annexed there shall be filed with the Registrar so far as the same be applicable to the Company.

#### **RIGHT OF MEMBER TO COPIES OF AUDITED FINANCIAL STATEMENT**

228.

- (1) Without prejudice to the provisions of section 101, a copy of the financial statements, including consolidated financial statements, if any, auditor's report and every other document required by law to be annexed or attached to the financial statements, which are to be laid before a company in its general meeting, shall be sent to every member of the company, to every trustee for the debenture-holder of any debentures issued by the company, and to all persons other than such member or trustee, being the person so entitled, not less than twenty-one days before the date of the meeting.

The provisions of this clause shall be deemed to be complied with, if the copies of the documents are made available for inspection at its registered office during working hours for a period of twenty-one days before the date of the meeting and a statement containing the salient features of such documents in the prescribed form or copies of the documents, as the company may deem fit, is sent to every member of the company and to every trustee for the holders of any debentures issued by the company not less than twenty-one days before the date of the meeting unless the shareholders ask for full financial statements.

The Central Government may prescribe the manner of circulation of financial statements of companies having such net worth and turnover as may be determined by central government and company shall also place its financial statements including consolidated financial statements, if any, and all other documents required to be attached thereto, on its website, which is maintained by or on behalf of the company.

Provided also that every subsidiary or subsidiaries shall –

- (a) place separate audited accounts in respect of each of its subsidiary on its website, if any;
  - (b) provide a copy of separate audited financial statements in respect of each of its subsidiary, to any shareholder of the company who asks for it.
- (2) A company shall allow every member or trustee of the holder of any debentures issued by the company to inspect the documents stated under sub-clause (1) at its registered office during business hours.

#### **ACCOUNTS TO BE AUDITED**

229.

- (1) Once at least in every year the accounts of the Company shall be examined by one or more Auditors who shall report to the shareholders as to whether the Balance Sheet reflects a true and fair view of the state of affairs of the Company as at that date and the Profit and Loss Account discloses a true and fair view of the profit and loss incurred by the Company during the year under review.
- (2) The appointment, remuneration, rights, powers & duties of the Company's Auditor shall be regulated in accordance with the provision of the Act.

#### **APPOINTMENT OF AUDITORS**

230.

- (1) Auditors shall be appointed and their qualifications, rights and duties regulated in accordance with Section 139 to 143, 145 and 146 of the Act and rules made thereunder.
- (2) The Company shall, at the first annual general meeting, appoint an individual or a firm as an auditor who shall hold office from the conclusion of that meeting till the conclusion of its sixth annual general meeting and thereafter till the conclusion of every sixth meeting and the manner and procedure of selection of auditors by the members of the company at such meeting shall be according to the provisions of the Act.

Provided that the company shall place the matter relating to such appointment for ratification by members at every annual general meeting.

Provided further that before such appointment is made, the written consent of the auditor to such

appointment, and a certificate from him or it that the appointment, if made, shall be in accordance with the conditions as may be determined by central government, shall be obtained from the auditor:

Provided also that the certificate shall also indicate whether the auditor satisfies the criteria provided in Section 141:

Provided also that the company shall inform the auditor concerned of his or its appointment, and also file a notice of such appointment with the Registrar within fifteen days of the meeting in which the auditor is appointed.

- (3) At any Annual General Meeting a retiring Auditor by whatsoever authority appointed shall be reappointed unless:

- (a) he is not disqualified for re-appointment;
- (b) he has not given the company a notice in writing of his unwillingness to be re-appointed; and
- (c) a special resolution has not been passed at that meeting appointing some other auditor or providing expressly that he shall not be re-appointed.

- (4) The company shall not appoint or reappoint -

- (a) an individual as auditor for more than one term of five consecutive years; and
- (b) an audit firm as auditor for more than two terms of five consecutive years:

Provided that—

- (i) an individual auditor who has completed his term under clause (a) shall not be eligible for re-appointment as auditor in the same company for five years from the completion of his term.
- (ii) an audit firm which has completed its term under clause (b), shall not be eligible for re-appointment as auditor in the same company for five years from the completion of such term.

- (5) Where at any annual general meeting, no auditor is appointed or re-appointed, the existing auditor shall continue to be the auditor of the company.

### **POWER OF BOARD TO MODIFY FINAL ACCOUNTS**

231. Every Balance Sheet and Profit and Loss Account of the Company when audited and adopted by the Company in General Meeting shall be conclusive.

### **DOCUMENTS AND NOTICE**

#### **SERVICES OF DOCUMENTS ON MEMBER BY COMPANY**

232. Save as provided in this Act or the rules made thereunder for filing of documents with the Registrar in electronic mode, a document may be served on Registrar or any member by sending it to him by post or by registered post or by speed post or by courier or by delivering at his office or address, or by such electronic or other mode as may be determined by central government:

Provided that a member may request for delivery of any document through a particular mode, for which he shall pay such fees as may be determined by the company in its annual general meeting.

#### **SERVICE OF DOCUMENTS ON COMPANY**

233. A document may be served on a company or an officer thereof by sending it to the company or the officer at the registered office of the company by registered post or by speed post or by courier service or by leaving it at its registered office or by means of such electronic or other mode as may be determined by central government:

Provided that where securities are held with a depository, the records of the beneficial ownership may be served by such depository on the company by means of electronic or other mode.

#### **“Service of documents on the Company”**

234. Where securities are held in a Depository, the records of the beneficial ownership may be served by such Depository on the Company by means of electronic mode or other mode in accordance with the Act and rules made thereunder.

### **AUTHENTICATION OF DOCUMENTS AND PROCEEDINGS**

235. Save as otherwise expressly provided in the Act, the rules made thereunder and these Articles, a document or proceeding requiring authentication by a company; or contracts made by or on behalf of a company, may be signed

by any key managerial personnel or an officer of the company duly authorized by the Board in this behalf.

## **REGISTERS AND DOCUMENTS**

### **REGISTERS AND DOCUMENTS TO BE MAINTAINED BY THE COMPANY**

236. The Company shall keep and maintain registers, books and documents required by the Act or these Articles, including the following:
- (a) Register of investments made by the Company but not held in its own name, as required by Section 187(3) of the Act.
  - (b) Register of mortgages and charges as required by Section 85 of the Act.
  - (c) Register and index of Member and debenture holders as required by Section 88 of the Act.
  - (d) Register of contracts, with companies and firms in which Directors are interested as required by Section 189 of the Act.
  - (e) Register of Directors and key managerial personnel and their shareholding under Section 170 of the Act.
  - (f) Register of loans, guarantee, security and acquisition made by the company under Section 186 (9) of the Act.
  - (g) Copies of annual returns prepared under Section 92 of the Act together with the copies of certificates and documents required to be annexed thereto.

### **MAINTENANCE AND INSPECTION OF DOCUMENTS IN ELECTRONIC FORM**

237. Without prejudice to any other provisions of this Act, any document, record, register, minutes, etc.,—
- (a) required to be kept by a company; or
  - (b) allowed to be inspected or copies to be given to any person by a company under this Act, may be kept or inspected or copies given, as the case may be, in electronic form in such form and manner as may be determined by the Central Government.

## **INDEMNITY**

238. Every officer of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal.

## **WINDING UP**

### **DISTRIBUTION OF ASSETS**

- 239.
- (a) If the Company shall be wound up, whether voluntarily or otherwise, the Liquidator may, with the sanction of a Special Resolution, divide amongst the contributories in specie or kind, any part of the assets of the Company and may, with the like sanction, vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories or any of them, as the liquidator, with the like sanction, shall think fit.
  - (b) If thought expedient any such division may subject to the provisions of the Act be otherwise than in accordance with the legal rights of the contributions (except where unalterably fixed by the Memorandum of Association and in particular any class may be given preferential or special rights or may be excluded altogether or in part but in case any division otherwise than in accordance with the legal rights of the contributories, shall be determined on any contributory who would be prejudicial thereby shall have a right to dissent and ancillary rights as if such determination were a Special Resolution passed pursuant to Section 319 of the Act.
  - (c) In case any Shares to be divided as aforesaid involve a liability to calls or otherwise any person entitled under such division to any of the said Shares may within ten days after the passing of the Special Resolution by notice in writing direct the Liquidator to sell his proportion and pay him the net proceeds and the Liquidator shall, if practicable act accordingly.

### **RIGHT OF SHAREHOLDERS IN CASE OF SALE**

240. A Special Resolution sanctioning a sale to any other Company duly passed pursuant to provisions of the Companies Act, 2013 may subject to the provisions of the Act in like manner as aforesaid determine that any Shares or other consideration receivable by the liquidator be distributed against the Members otherwise than in accordance with their existing rights and any such determination shall be binding upon all the Members subject to the rights of dissent and consequential rights conferred by the said sanction.

#### **SECRECY CLAUSE**

241. No member or other person (not being a Director) shall be entitled to visit or inspect any property or premises or works of the Company without the permission of the Board or to require discovery of or any information respecting any detail of the Company's trading or any matter which is or may be in the nature of a trade secret, mystery of trade, secret process or any other matter which may relate to the conduct of the business of the Company and which in the opinion of the Board, it would be inexpedient in the interest of the Company to disclose Secrecy undertaking.
242. Every Director, Manager, Auditor, Treasurer, Trustee, Member of a Committee agents, officer, servant, accountant or other person employed in the business of the Company shall, when required, sign a declaration pledging himself to observe strict secrecy respecting all transactions of the Company with the customers and the state of accounts with individual and in matters relating thereto and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties, except when required so to do by the Board or by any meeting of the shareholders, if any or by a Court of Law the person to whom matters relate and except so far as may be necessary in order to comply with any of the provision in these present contained.

#### **KNOWLEDGE IMPLIED**

243. Each member of the Company, present and future, is to be deemed to join the Company with full knowledge of all the contents of these presents.

## SECTION X – OTHER INFORMATION

### MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two (2) years before the date of filing of this Draft Red Herring Prospectus) which are or may be deemed material have been entered or are to be entered into by our Company. These contracts, copies of which will be attached to the copy of the Draft Red Herring Prospectus will be delivered to the RoC for registration and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company located at Unit No. 101 VIP Plaza Cooperative Premises Society Ltd, Andheri New Link Road, Opp Infinity Mall Behind Crystal Plaza, Andheri, Mumbai - 400053, Maharashtra, India. , from 10.00 a.m. to 5.00 p.m. on working days from the date of the Draft Red Herring Prospectus until the Issue Closing Date.

#### Material Contracts

1. Issue Agreement dated February 06, 2025 between our Company and the Book Running Lead Manager.
2. Agreement between Bigshare Services Private Limited and our Company dated February 06, 2025 appointing them as the Registrar to the Issue.
3. Underwriting Agreement dated [●] between our Company and Underwriters.
4. Market Making Agreement dated [●] between our Company, Book Running Lead Manager and Market Maker.
5. Tripartite agreement among the NSDL, our Company and Registrar to the Issue dated November 15, 2024.
6. Tripartite agreement among the CDSL, our Company and Registrar to the Issue dated November 28, 2024.
7. Banker to the Issue and Sponsor Bank Agreement dated [●] between our Company, the Book Running Lead Manager, Banker to the Issue and Registrar to the Issue.
8. Syndicate Agreement dated [●] between our Company and the Syndicate Member.
9. Sub-Syndicate Agreement dated [●] between our Company, the Underwriters and Sub-Syndicate Member.

#### Material Documents

1. Certificate of Incorporation of our Company in the name of “*Chatterbox Technologies Private Limited*” dated March 03, 2016 issued by the Registrar of Companies, Maharashtra at Mumbai.
2. Fresh Certificate of Incorporation consequent upon conversion of Company into Limited Company in the name of ‘*Chatterbox Technologies Limited*’ dated December 04, 2024 issued by the Registrar of Companies, Central Processing Centre.
3. Certified true copy of the Memorandum and Articles of Association of our Company, as amended.
4. Certified true copy of the resolution passed at the meeting of the Board of Directors dated January 21, 2025 authorizing the Issue.
5. Certified true copy of the special resolution of the Shareholders passed at the Extraordinary General Meeting dated February 05, 2025 authorizing the Issue.
6. Statement of Tax Benefits dated February 19, 2025 issued by our Statutory Auditor, M/s. Joy Mukherjee & Associates, Chartered Accountants.
7. Certificate of Key Performance Indicators (KPIs) dated February 19, 2025 issued by our Statutory Auditor, M/s. Joy Mukherjee & Associates, Chartered Accountants.

8. Certificate of Working Capital requirements dated February 19, 2025 issued by our Statutory Auditor, M/s. Joy Mukherjee & Associates, Chartered Accountants.
9. Certificate of Deployment of funds dated February 19, 2025 issued by our Statutory Auditor, M/s. Joy Mukherjee & Associates, Chartered Accountants.
10. Report of our Statutory Auditor, M/s. Joy Mukherjee & Associates, Chartered Accountants dated February 04, 2025, on the Restated Financial Statements included in this Draft Red Herring Prospectus.
11. Copy of Audited Financial Statement for nine months period ended on December 31, 2024
12. Copies of Audited Financial Statements of our Company for Fiscal 2022, 2023 and 2024.
13. Certified true copy of the resolution dated December 12, 2024 passed by the Shareholders, appointing Rajnandan Mishra as Managing Director of our Company.
14. Certified true copy of the resolution dated December 12, 2024 passed by the Shareholders, appointing Rajnandan Mishra as the Chief Executive Officer of our Company.
15. Consents of Promoters, Directors, Chief Financial Officer, Company Secretary and Compliance Officer, Statutory Auditor, Senior Managerial Personnels, Legal Advisor to the Issue, Banker to the Company, the Book Running Lead Manager, Registrar to the Issue, Underwriter, Market Maker, Bankers to the Issue, to act in their respective capacities.
16. Due Diligence Certificate dated February 22, 2025 from the Book Running Lead Manager to BSE.
17. Due Diligence Certificate dated February 22, 2025 from the Book Running Lead Manager to SEBI.
18. Copy of in-principle approval from BSE *vide* letter dated [●], 2025 to use the name of BSE in this document for listing of Equity Shares on SME Platform of BSE.

Any of the contracts or documents mentioned in the Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

## DECLARATION

I, hereby declare that all the relevant provisions of the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013 the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued there under, as the case may be. I further certify that all statements are true and correct.

## SIGNED BY BOARD OF DIRECTORS OF CHATTERBOX TECHNOLOGIES LIMITED

Name and designation	Signature
<b>Rajnandan Mishra</b> <i>Managing Director</i>	Sd/-

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**Place:** Mumbai

**Date:** February 22, 2025

**DECLARATION**

I, hereby declare that all the relevant provisions of the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013 the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued there under, as the case may be. I further certify that all statements are true and correct.

**SIGNED BY BOARD OF DIRECTORS OF CHATTERBOX TECHNOLOGIES LIMITED**

<b>Name and designation</b>	<b>Signature</b>
<b>Curt Marvis</b> <i>Non-Executive Chairman</i>	Sd/-

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**Place:** Los Angeles, USA

**Date:** February 22, 2025



## DECLARATION

I, hereby declare that all the relevant provisions of the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013 the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued there under, as the case may be. I further certify that all statements are true and correct.

## SIGNED BY BOARD OF DIRECTORS OF CHATTERBOX TECHNOLOGIES LIMITED

Name and designation	Signature
<b>Kevin Richard Williams</b> <i>Non-Executive Director</i>	Sd/-

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**Place:** Toronto, Canada

**Date:** February 22, 2025

**DECLARATION**

I, hereby declare that all the relevant provisions of the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013 the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued there under, as the case may be. I further certify that all statements are true and correct.

**SIGNED BY BOARD OF DIRECTORS OF CHATTERBOX TECHNOLOGIES LIMITED**

<b>Name and designation</b>	<b>Signature</b>
<b>Ratnakar Venkappa Rai</b> <i>Non-Executive &amp; Independent Director</i>	Sd/-

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**Place:** Mumbai**Date:** February 22, 2025

## DECLARATION

I, hereby declare that all the relevant provisions of the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013 the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued there under, as the case may be. I further certify that all statements are true and correct.

## SIGNED BY BOARD OF DIRECTORS OF CHATTERBOX TECHNOLOGIES LIMITED

Name and designation	Signature
<b>Sangita Bhamesh Kamble</b> <i>Non-Executive &amp; Independent Director</i>	Sd/-

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**Place:** Mumbai

**Date:** February 22, 2025

**DECLARATION**

I, hereby declare that all the relevant provisions of the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013 the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued there under, as the case may be. I further certify that all statements are true and correct.

**SIGNED BY BOARD OF DIRECTORS OF CHATTERBOX TECHNOLOGIES LIMITED**

<b>Name and designation</b>	<b>Signature</b>
<b>Pratik Prakash Shah</b> <i>Non-Executive &amp; Independent Director</i>	Sd/-

**Place:** Mumbai**Date:** February 22, 2025

## DECLARATION

I, hereby declare that all the relevant provisions of the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013 the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued there under, as the case may be. I further certify that all statements are true and correct.

## SIGNED BY KMP OF CHATTERBOX TECHNOLOGIES LIMITED

Name and designation	Signature
<b>Pooja Dhaval Mehta</b> <i>Chief Financial Officer</i>	Sd/-

**Place:** Mumbai

**Date:** February 22, 2025

**DECLARATION**

I, hereby declare that all the relevant provisions of the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013 the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued there under, as the case may be. I further certify that all statements are true and correct.

**SIGNED BY KMP OF CHATTERBOX TECHNOLOGIES LIMITED**

<b>Name and designation</b>	<b>Signature</b>
<b>Prachi Parag Kela</b> <i>Company Secretary &amp; Compliance Officer</i>	Sd/-

**Place:** Mumbai**Date:** February 22, 2025