

## RAJNISH WELLNESS LIMITED

Our Company was originally incorporated as Rajnish Hot Deals Private Limited on June 13, 2015 with the Registrar of Companies, Maharashtra, Mumbai as a private limited Company under the provisions of the Companies Act, 2013. Subsequently our Company was converted into public limited Company pursuant to shareholders resolution passed at the Extra-Ordinary General Meeting held on January 17, 2018 and the name of our Company was changed to Rajnish Hot Deals Limited. A fresh certificate of incorporation consequent upon conversion to public limited Company was issued by the Registrar of Companies, Mumbai on February 01, 2018. Pursuant to a resolution of our Shareholders passed on February 03, 2018, the name of our Company was changed to Rajnish Wellness Limited and a fresh certificate of incorporation consequent upon change of name was issued by the Registrar of Companies, Mumbai on February 09, 2018. For further details, kindly refer to the section titled '**General Information**' beginning on page 32 of this Draft Letter of Offer.

**Corporate Identification Number:** L52100MH2015PLC265526.

**Registered Office:** Plot No. 24, ABCD, Govt. Industrial Estate, Charkop, Kandivali (west), Mumbai, Maharashtra - 400067, India;

**Contact Details:** +91-22-23065555/ 9870659809; **Contact Person:** Ms. Anupama Kashyap, Company Secretary and Compliance Officer;

**Email-ID:** [info@rajnishwellness.com](mailto:info@rajnishwellness.com); **Website:** [www.rajnishwellness.com](http://www.rajnishwellness.com);

## PROMOTER OF OUR COMPANY IS MR. RAJNISH KUMAR SINGH

## FOR PRIVATE CIRCULATION TO THE EQUITY SHAREHOLDERS OF OUR COMPANY

RIGHTS ISSUE OF UP TO [●] PARTLY PAID-UP EQUITY SHARES OF FACE VALUE OF ₹1.00/- (RUPEES ONE ONLY) ('EQUITY SHARES') EACH AT A PRICE OF ₹[●] (RUPEES [●] ONLY) PER RIGHTS SHARE (INCLUDING A PREMIUM OF ₹[●] (RUPEES [●] ONLY) PER RIGHTS SHARE) ('ISSUE PRICE') ('RIGHTS SHARES') FOR AN AMOUNT UP TO ₹4990 LAKHS (RUPEES FORTY NINE CRORES NINETY LAKHS ONLY) ON A RIGHTS ISSUE BASIS TO THE ELIGIBLE SHAREHOLDERS OF RAJNISH WELLNESS LIMITED IN THE RATIO OF [●] RIGHTS SHARES FOR EVERY [●] EQUITY SHARES HELD BY SUCH ELIGIBLE SHAREHOLDERS AS ON THE RECORD DATE, [●] ('ISSUE'). THE ISSUE PRICE IS [●] TIMES THE FACE VALUE OF THE EQUITY SHARE. FOR FURTHER DETAILS, KINDLY REFER TO THE SECTION TITLED '**TERMS OF THE ISSUE**' BEGINNING ON PAGE 98 OF THIS DRAFT LETTER OF OFFER.

\*Assuming full subscription and receipt of all Call Monies with respect to Right Shares.

## PAYMENT METHOD FOR THE ISSUE

AMOUNT PAYABLE PER RIGHTS EQUITY SHARE	FACE VALUE	PREMIUM	TOTAL
On Application	[●]	[●]	[●]
One or more subsequent Call(s) as determined by our Board/ Committee at its sole discretion, from time to time	[●]	[●]	[●]
<b>Total</b>	<b>₹1.00/-</b>	<b>[●]</b>	<b>[●]</b>

## WILFUL DEFAULTERS AND/OR FRAUDULENT BORROWERS

Neither our Company, nor our Promoter, or Directors are or have been categorized as wilful defaulters or fraudulent borrowers 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.

## GENERAL RISK

Investment in equity and equity related securities involves 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 investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of our Company and this Issue including the risks involved. The Rights Shares have not been recommended or approved by Securities and Exchange Board of India ('SEBI') nor does SEBI guarantee the accuracy or adequacy of this Draft Letter of Offer. Investors are advised to refer '**Risk Factors**' beginning on page 16 of this Draft Letter of Offer before investing in the Issue.

## ISSUER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Letter of Offer contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in this Draft Letter of Offer 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 Letter of Offer as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

## LISTING

The existing Equity Shares of our Company are listed and traded on BSE Limited. Our Company has received in-principle approval from BSE Limited pursuant to its letter bearing reference number '[●]' dated [●], for listing of the Rights Shares. Our Company will also make applications to the BSE Limited to obtain trading approvals for the Rights Entitlements as required under the SEBI circular bearing reference number 'SEBI/HO/CFD/DIL2/CIR/P/2020/13' dated January 22, 2020. For this Issue, BSE Limited is the Designated Stock Exchange.

## REGISTRAR TO THE ISSUE



### BIGSHARE SERVICES PRIVATE LIMITED

**Address:** S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri East, Mumbai - 400093.

**Contact Details:** 022 – 62638200/62638273 | DID: 022 62638204 Fax No: +91 22 62638299 | Hand Phone: +91 7045454394

**Website:** [www.bigshareonline.com](http://www.bigshareonline.com) **E-mail ID:** [ipo@bigshareonline.com](mailto:ipo@bigshareonline.com) **Investor grievance e-mail:** [investor@bigshareonline.com](mailto:investor@bigshareonline.com)

**Contact Person:** Mr. Jibu John

**SEBI Registration Number:** INR000001385

**Validity:** Permanent

## ISSUE PROGRAMME

ISSUE OPENING DATE	LAST DATE FOR MARKET RENUNCIATION*	ISSUE CLOSING DATE**
[●]	[●]	[●]

\*Eligible Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.

\*\* Our Board or a duly authorized committee thereof will have the right to extend the Issue Period as it may determine from time to time, provided that this Issue will not remain open in excess of 30 (thirty) days from the Issue Opening Date. Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.

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## SECTION I - GENERAL

### DEFINITIONS AND ABBREVIATIONS

#### DEFINITIONS

This Draft Letter of Offer uses the definitions and abbreviations set forth below, 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 following list of certain capitalized terms used in this Draft Letter of Offer is intended for the convenience of the reader/prospective Applicant only and is not exhaustive.

In this Draft Letter of Offer, unless otherwise indicated or the context otherwise requires, all references to 'the/our Company', 'we', 'our', 'us' or similar terms are to Rajnish Wellness Limited as the context requires, and references to 'you' are to the Eligible Shareholders and/ or prospective Investors in this Right Issue of Equity Shares.

The words and expressions used in this Draft Letter of Offer, but not defined herein, shall have the same meaning (to the extent applicable) ascribed to such terms under the SEBI (ICDR) Regulations, the Companies Act, 2013, the SCRA, the Depositories Act, and the rules and regulations made thereunder. Notwithstanding the foregoing, terms used in section titled '**Industry Overview**', '**Statement of Tax Benefits**', '**Financial Information**', '**Outstanding Litigations, Defaults, and Material Developments**' and '**Terms of the Issue**' on page 45, 42, 60, 88, and 98 respectively, shall have the meaning given to such terms in such sections.

#### CONVENTIONAL/ GENERAL TERMS

Term	Description
Rajnish Wellness Limited/ Company	Rajnish Wellness Limited, a public limited company incorporated under the provisions of the Companies Act, 2013, as amended from time to time.
We/ us/ our	Unless the context otherwise indicates or implies, refers to Rajnish Wellness Limited.
AoA/ Articles of Association	The Articles of Association of Rajnish Wellness Limited, as amended from time to time.
Audit Committee	The committee of the Board of Directors constituted as our Company's audit committee in accordance with the provisions of Section 177 of the Companies Act and Regulation 18 of the SEBI (LODR) Regulations.
Audited Financial Statements	The audited financial statements of our Company prepared in accordance with Indian Accounting Standards for the Financial Years ending March 31, 2023, March 31, 2022 and March 31, 2021.
Auditors/ Statutory Auditors/ Peer Review Auditor	The current statutory auditors of our Company M/s. Rishi Sekhri & Associates., Chartered Accountants bearing Firm Registration Number '128216W'.
Board of Directors/ Board	Board of Directors of our Company.
Company Secretary and Compliance Officer	The Company Secretary and Compliance Officer of our Company, being Ms. Anupma Kashyap.
Chief Financial Officer/ CFO	The Chief Financial Officer of our Company, being Mr. Mihir Shrenik Patwa
Corporate Social Responsibility Committee	The committee of the Board of Directors constituted as our Company's Corporate Social Responsibility Committee in accordance with the provisions of Section 135 of the Companies Act.
Directors	The director(s) on the Board of our Company, unless otherwise specified.
Eligible Shareholder(s)	Eligible holder(s) of the Equity Shares of Rajnish Wellness Limited as on the Record Date.
Equity Shares	Equity Share of the Company having face value of ₹1.00 (Rupees One Only).
Independent Director	Independent directors on the Board and eligible to be appointed as an Independent Director under the provisions of Sections 2(47) and 149(6) of the Companies Act and Regulation 16 (1) of the SEBI (LODR) Regulations. For details of the Independent Directors, please refer to section titled ' <b>Our Management</b> ' beginning on page 57 of this Draft Letter of Offer.
Internal Compliant Committee	The committee of the Board of directors reconstituted as our Company's Internal Compliant Committee in accordance with the provisions Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
ISIN of our Company	International Securities Identification Number being INE685Z01033.
Key Management Personnel /KMP	Key management personnel of our Company in terms of Regulation 2(1) (bb) of the SEBI (ICDR) Regulations and Section 2(51) of the Companies Act. For details, please refer to section titled ' <b>Our Management</b> ' beginning on page 57 of this Draft Letter of Offer.
Materiality Policy	A policy adopted by our Company, in the Board meeting held on August 10, 2023, for identification of material litigation(s) for the purpose of disclosure of litigations.
MoA/ Memorandum of Association	The Memorandum of Association of Rajnish Wellness Limited, as amended from time to time.
Nomination and Remuneration Committee	The committee of the Board of directors reconstituted as our Company's Nomination and Remuneration Committee in accordance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (LODR) Regulations.
Promoters	The promoter of our Company is Mr. Rajnish Kumar Singh.
Promoter Group	Persons and entities forming part of the promoter group of our Company as determined in terms of Regulation 2(1)(pp) of the SEBI (ICDR) Regulations and as disclosed by our Company in the filings made with BSE Limited under the SEBI (LODR) Regulations.

Term	Description
Registered Office	The registered office of our Company is situated at Plot No.24, ABCD Govt, Industrial Estate, Charkop Kandivali (west), Mumbai-400067, Maharashtra, India.
Registrar of Companies	Registrar of Companies, Mumbai situated at 100, Everest, Marine Drive, Mumbai- 400002, Maharashtra, India.
Risk Management Committee	The committee of the Board of Directors constituted as our Company's Risk Management Committee in accordance with the provisions of Regulation 21 of the SEBI (LODR) Regulations.
Stakeholders' Relationship Committee	The committee of the Board of Directors constituted as our Company's Stakeholders' Relationship Committee in accordance with Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI (LODR) Regulations.
BSE Limited	The BSE Limited where the Equity Shares of the Company are presently listed.

## ISSUE RELATED TERMS

Term	Description
Abridged Letter of Offer	Abridged Letter of Offer to be sent to the Eligible Equity Shareholders with respect to the Issue in accordance with the provisions of the SEBI (ICDR) Regulations and the Companies Act.
Additional Rights Shares	The Rights Shares applied or allotted under this Issue in addition to the Rights Entitlement.
Allot/ Allotment/ Allotted	Unless the context requires, the allotment of Rights Shares pursuant to this Issue.
Allotment Account	The account opened with the Banker to the Issue, into which the Application amounts by ASBA blocked in the ASBA Account, with respect to successful Investors will be transferred on the Transfer Date in accordance with Section 40 (3) of the Companies Act.
Allotment Account Bank	The bank which is a clearing member and registered with SEBI as bankers to an issue and with whom the Allotment Account will be opened, in this case being, [●].
Allotment Advice	Note, advice, or intimation of Allotment sent to each successful Investors who have been or is to be Allotted the Rights Shares pursuant to this Issue after the Basis of Allotment has been approved by the Designated Stock Exchange.
Allotment Date	The date on which the Allotment is made pursuant to this Issue.
Allottees	Person(s) who are Allotted Rights Shares pursuant to the Allotment.
Applicant(s)/ Investor(s)	Eligible Shareholder(s) and/or Renouncee(s) who make are entitled to make an application for the Rights Shares pursuant to this Issue in terms of the Letter of Offer.
Application	Application made through submission of the Application Form or plain paper Application to the Designated Branch(es) of the SCSBs or online/ electronic application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process, to subscribe to the Rights Shares at the Issue Price.
Application Form	Unless the context otherwise requires, an application form through the website of the SCSBs (if made available by such SCSBs) under the ASBA process is used by an Investor to make an application for the Allotment of Rights Shares in the Issue.
Application Money	The aggregate amount payable at the time of Application ₹ [●].00/- (Rupees [●] Only) in respect of the Rights Shares applied for in this Issue at the Issue Price.
Application Supported by Blocked Amount/ ASBA	Application (whether physical or electronic) used by ASBA Investors to make an application authorizing the SCSB to block the Application Money in the ASBA Account maintained with such SCSB.
ASBA Account	Account maintained with an SCSB which may be blocked by such SCSB to the extent of the Application Money of the ASBA Investor.
ASBA Applicant /ASBA Investor	As per the SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, all investors (including Renouncees) shall make an application for a rights issue only through the ASBA facility.
ASBA Bid	Bid made by an ASBA Bidder including all revisions and modifications thereto as permitted under the SEBI (ICDR) Regulations.
ASBA Circulars	Collectively, the SEBI circulars bearing reference numbers 'SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009', 'CIR/CFD/DIL/1/2011 dated April 29, 2011', and 'SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020'.
Bankers to the Issue	[●].
Bankers to the Issue Agreement	Agreement dated [●] entered by and amongst our Company, the Registrar, and the Bankers to the Issue.
Basis of Allotment	The basis on which the Rights Shares will be Allotted to successful Applicants in the Issue in consultation with the Designated Stock Exchange, and which is described in the section titled ' <i>Terms of the Issue</i> ' beginning on page 98 of this Draft Letter of Offer.
Call Monies	The balance amount payable by the holders of the Rights Shares pursuant to the Payment Schedule, is ₹ [●] (Rupees [●] Only) per Rights Share after payment of the Application Money.
Call Record Date	A record date fixed by our Company to determine the names of the holders of Rights Shares for the purpose of issuing the Call.
Call	The notice issued by our Company to the holders of the Rights Shares as on the Call Record Date for making a payment of the Call Monies.
Controlling Branches /Controlling Branches of the SCSBs	Such branches of the SCSBs which coordinate with the Registrar to the Issue and the Stock Exchange, a list of which is available on <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> .

Term	Description
Demographic Details	Details of Investors including the Investor's address, name of the Investor's father/ husband, investor status, occupation, and bank account details, where applicable.
Designated SCSB Branches	Such branches of the SCSBs which shall collect the Application Form or plain paper application, submitted by ASBA Bidders, a list of which is available on the website of SEBI at <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> updated from time to time, or at such other website as may be prescribed by SEBI from time to time.
Depository(ies)	NSDL and CDSL or any other depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 as amended from time to time read with the Depositories Act, 1996.
Draft Letter of Offer/ DLoF	This Draft Letter of Offer dated Thursday, August 10, 2023, filed with the BSE Limited, in accordance with the SEBI (ICDR) Regulations, for their observations and in-principle approvals.
Eligible Equity Shareholders	Existing Equity Shareholders as on the Record Date i.e. [●]. Please note that the investors eligible to participate in the Issue exclude certain overseas shareholders.
Issue/ Rights Issue	Rights Issue of up to [●] party-paid up Rights Shares of our Company for cash at a price of ₹[●] (Rupees [●] Only) per Rights Shares (including a premium of ₹[●] (Rupees [●] Only) aggregating to an amount of up to ₹[●] (Rupees [●] Only) <i>(assuming full subscription and receipt of all Call Monies with respect to Rights Shares)</i> on a rights basis to the Eligible Equity Shareholders of our Company in the ratio of [●] ([●]) Rights Shares for every [●] ([●]) Equity Shares held by the Eligible Equity Shareholders of our Company on the Record Date i.e. [●]. On Application, Investors will have to pay ₹[●] (Rupees [●] Only) per Rights Share which constitutes [●] ([●] Percent) of the Issue Price, and the balance ₹[●] (Rupees [●] Only) per Rights Share which constitutes [●] ([●] Percent) of the Issue Price, will have to be paid, on one additional call as may be decided by the Board/ Rights Issue Committee of the Board from time to time.
Issue Opening Date	[●].
Issue Closing Date	[●].
Issue Materials	The Letter of Offer, Abridged Letter of Offer, Rights Entitlement Letter, Application Forms, including any notices, corrigendum thereto.
Issue Period	The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days, during which Applicants/ Investors can submit their Applications, in accordance with the SEBI (ICDR) Regulations.
Issue Price	₹[●]/- (Rupees [●]) per Rights Equity Share issued in 1 (One) Rights Entitlement, (i.e. ₹[●]/- (Rupees [●]) per Rights Equity Share, including a premium of ₹[●]/- (Rupees [●]) per Rights Share). On Application, Investors will have to pay ₹[●] (Rupees [●] Only) per Rights Share which constitutes [●] ([●] Percent) of the Issue Price, and the balance ₹[●] (Rupees [●] Only) per Rights Share which constitutes [●] ([●] Percent) of the Issue Price, will have to be paid, on one additional call as may be decided by the Board/ Rights Issue Committee of the Board from time to time.
Issue Shares	Up to [●] Rights Shares.
Issue Proceeds	The proceeds of the Issue that are available to our Company.
Issue Size	Amount aggregating up to ₹49,90,00,000/- (Rupees Forty-Nine Crores Ninety Lakhs Only) <i>(Assuming full subscription and receipt of all Call Monies with respect to Rights Shares)</i> .
Letter of Offer/ LoF	The Final Letter of Offer is to be filed with BSE Limited after incorporating the observations received the BSE Limited on the Draft Letter of Offer.
Listing Agreements	Listing agreements entered between our Company and BSE Limited in terms of the SEBI (LODR) Regulations.
Multiple Application Forms	More than one Application Form submitted by an Eligible Equity Shareholder/Renouncee in respect of the same Rights Entitlement available in their demat account. However supplementary applications in relation to further Rights Shares with/without using additional Rights Entitlements will not be treated as multiple applications.
Net Proceeds	Issue Proceeds less the Issue related expenses. For further details, please refer to the section titled ' <b>Objects of the Issue</b> ' beginning on page 38 of this Draft Letter of Offer;
Non-ASBA Investor/ Non-ASBA Applicant	Investors are other than ASBA Investors who apply in the Issue otherwise than through the ASBA process comprising Eligible Equity Shareholders holding Equity Shares in physical form or who intend to renounce their Rights Entitlement in part or full and Renouncees.
Non-Institutional Investors/ NIIs	An Investor is other than a Retail Individual Investor or Qualified Institutional Buyer as defined under Regulation 2(1)(jj) of the SEBI (ICDR) Regulations.
Offer Document	The Draft Letter of Offer, Letter of Offer, Abridged Letter of Offer including any notices, corrigendum, advertisements, thereto, Rights Entitlement Letter.
Off Market Renunciation	The renunciation of Rights Entitlements is undertaken by the Investor by transferring them through off-market transfer through a depository participant in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Depositories, from time to time, and other applicable laws.
On Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by trading them over the secondary market platform of the BSE Limited through a registered stockbroker in accordance with the SEBI Rights Issue Circulars and the circulars issued by the BSE Limited, from time to time, and other applicable laws, on or before [●].
Payment Schedule	Payment schedule under which [●] ([●] Percent) of the Issue Price is payable on Application, i.e., ₹[●] (Rupees [●] Only) per Rights Share, and the balance unpaid capital constituting [●] ([●] Percent) of the Issue Price i.e., ₹[●] (Rupees [●] Only) will have to be paid, on one additional call as may be decided by the Board/ Committee of the Board from time to time.
Physical Equity Shareholders	Eligible Equity Shareholders holding Equity Shares in physical form shall be termed as Physical Equity Shareholders.



Term	Description
QIBs or Qualified Institutional Buyers	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI (ICDR) Regulations.
Record Date	Designated date to determine the Eligible Equity Shareholders eligible to apply for Rights Shares, being [●].
Refund Bank	The Banker to the Issue with the Refund Account will be opened, in this case being [●].
Registrar Agreement	Agreement dated Monday, August 07, 2023, entered between our Company and the Registrar in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to this Issue.
Registrar to the Company	Bigshare Services Private Limited
Registrar to the Issue	Bigshare Services Private Limited
Renouncees	Any persons who have acquired Rights Entitlements from the Eligible Equity Shareholders through renunciation.
Renunciation Period	The period during which the Investors can renounce or transfer their Rights Entitlements which shall commence from the Issue Opening Date i.e. [●]. Such period shall close on [●] in case of On Market Renunciation. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee on or prior to the Issue Closing Date i.e. [●];
Retail Individual Investors/ RIIs	An Individual Investor (including an HUF applying through Karta) who has applied for Rights Shares and whose Application Money is not more than ₹2,00,000/- (Rupees Two Lakhs Only) in the Issue as defined under Regulation 2(1)(vv) of the SEBI (ICDR) Regulations.
Rights Entitlement Letter	This letter includes details of Rights Entitlements of the Eligible Equity Shareholders. The Rights Entitlements are accessible on the website of our Company.
Rights Entitlement (s)/ RES	The number of Rights Shares that an Investor is entitled to in proportion to the number of Equity Shares held by the Investor on the Record Date, in this case being [●] Rights Shares for every [●] Equity Shares held by an Eligible Shareholder. The Rights Entitlements with a separate ISIN '[●]' will be credited to your demat account before the date of opening of the Issue, against the Equity Shares held by the Equity Shareholders as on the Record Date, pursuant to the provisions of the SEBI (ICDR) Regulations and the SEBI Rights Issue Circular, the Rights Entitlements shall be credited in dematerialized form in respective demat accounts of the Eligible Equity Shareholders before the Issue Opening Date;
Rights Shares	Equity Shares of our Company to be Allotted pursuant to this Issue;
SEBI Rights Issue Circulars	The SEBI circular bearing reference number 'SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020'.
Self-Certified Syndicate Banks/ SCSB(s)	Self-certified syndicate banks registered with SEBI, which act as a Banker to the Issue and which offer the facility of ASBA. A list of all SCSBs 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>
Transfer Date	The date on which the Application Money blocked in the ASBA Account will be transferred to the Allotment Account(s) in respect of successful Applications, upon finalization of the Basis of Allotment, in consultation with the Designated Stock Exchange.
Wilful Defaulter or Fraudulent Borrower	A Company or person, as the case may be, categorized as a wilful defaulter or fraudulent borrower by any bank or financial institution or consortium thereof, in terms of Regulation 2(1)(III) of SEBI (ICDR) Regulations and in accordance with the guidelines on wilful defaulters issued by the RBI, including any company whose director or promoter is categorized as such.
Working Day(s)	In terms of Regulation 2(1)(mmm) of SEBI (ICDR) Regulations, working day means all days on which commercial banks in Mumbai are open for business. Further, in respect of Issue Period, a working day means all days, excluding Saturdays, Sundays, and public holidays, on which commercial banks in Mumbai are open for business. Furthermore, the period between the Issue Closing Date and the listing of Equity Shares on the BSE Limited, working day means all trading days of the BSE Limited, excluding Sundays and bank holidays, as per circulars issued by SEBI.

#### ABBREVIATIONS

Term	Description
AIF	Alternative Investment Fund as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012.
AS	Accounting Standards issued by the Institute of Chartered Accountants of India.
CAF	Common Application Form.
CDSL	Central Depository Services (India) Limited.
CFO	Chief Financial Officer.
CIN	Corporate Identification Number.
CIT	Commissioner of Income Tax.
CLRA	Contract Labour (Regulation and Abolition) Act, 1970.
Companies Act, 2013	Companies Act, 2013 along with rules made thereunder.
Companies Act, 1956	Companies Act, 1956, and the rules thereunder (without reference to the provisions thereof that have ceased to have effect upon the notification of the Notified Sections).
Consolidated FDI Policy	Consolidated FDI Policy dated October 15, 2020 issued by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India.

Term	Description
COVID-19	A public health emergency of international concern as declared by the World Health Organization on January 30, 2020 and a pandemic on March 11, 2020.
CSR	Corporate Social Responsibility.
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participant) Regulations, 2018.
Depositories Act	The Depositories Act, 1996, including subsequent amendments thereto.
DIN	Director Identification Number.
DP	Depository Participant.
DP-ID	Depository Participant's Identification.
DR	Depository Receipts.
EBITDA	Profit/(loss) after tax for the year adjusted for income tax expense, finance costs, depreciation, and amortisation expense, as presented in the statement of profit and loss.
EGM	Extraordinary General Meeting.
EEA	European Economic Area.
EPC Services	Engineering, Procurement, and Construction services.
EPS	Earning per Equity Share.
FCNR Account	Foreign Currency Non-Resident Account.
FDI	Foreign Direct Investment.
FEMA	Foreign Exchange Management Act, 1999 read with rules and regulations made thereunder.
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019.
FII(s)	Foreign Institutional Investors registered with SEBI under applicable laws.
FIPB	Foreign Investment Promotion Board.
FPIs	Foreign Portfolio Investors.
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018.
FVCI	Foreign Venture Capital Investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000) registered with SEBI.
FY/ Financial Year	Period of 12 months ended March 31 of that particular year, unless otherwise stated.
GAAP	Generally Accepted Accounting Principles.
GDP	Gross Domestic Product.
GDR	Global Depository Receipt.
GNPA	Gross Net Performing Assets.
GoI / Government	The Government of India.
GST	Goods and Services Tax.
HUF	Hindu Undivided Family.
Ind AS	Indian Accounting Standards.
ICAI	The Institute of Chartered Accountants of India.
ICSI	The Institute of Company Secretaries of India.
IFRS	International Financial Reporting Standards.
Indian GAAP/ I-GAAP	Generally Accepted Accounting Principles in India.
Income Tax Act/ IT Act	The Income Tax Act, 1961 and amendments thereto.
Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
Insolvency Code	Insolvency and Bankruptcy Code, 2016, as amended.
INR / ₹ / Rs. / Indian Rupees	Indian Rupee, the official currency of the Republic of India.
IST	Indian Standard Time.
IT	Information Technology.
MCA	The Ministry of Corporate Affairs, Government of India.
Mn / mn	Million.
Mutual Funds	Mutual funds registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.
N.A. or NA	Not Applicable.
NAV	Net Asset Value.
NCT	National Capital Territory, Delhi.
NCLT	National Company Law Tribunal.
NCLAT	National Company Law Appellate Tribunal.
NEFT	National Electronic Fund Transfer.
Net Worth	The aggregate value of the paid-up share capital and all reserves created out of the profits, securities premium account, and debit or credit balance of the profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure, and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, writeback of depreciation and amalgamation.
Notified Sections	The sections of the Companies Act, 2013 that have been notified by the MCA and are currently in effect.



Term	Description
NR/ Non- Resident	A person resident outside India, as defined under the FEMA and includes an NRI, FPIs registered with SEBI and FVCIs registered with SEBI.
NRE	Account Non-resident external account.
NRI	Non-resident Indian.
NSDL	National Securities Depository Limited.
NSE	National Stock Exchange of India Limited.
OCB	Overseas Corporate Body.
p.a.	Per annum.
P/E Ratio	Price/Earnings Ratio.
PAN	Permanent account number.
PAT	Profit after Tax.
RBI	Reserve Bank of India.
RBI Act	Reserve Bank of India Act, 1934.
RoNW	Return on Net Worth.
SCORES	SEBI Complaints Redress System.
SCRA	Securities Contracts (Regulation) Act, 1956.
SCRR	Securities Contracts (Regulation) Rules, 1957.
SEBI	Securities and Exchange Board of India.
SEBI Act	Securities and Exchange Board of India Act, 1992.
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012.
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019.
SEBI (LODR) Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.
SEBI (ICDR) Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments thereto.
SEBI (SAST) Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and amendments thereto.
Securities Act	United States Securities Act of 1933, as amended.
STT	Securities transaction tax.
Trade Mark Act	Trade Marks Act, 1999 and the rules thereunder, including subsequent amendments thereto.
VCF	Venture capital fund as defined and registered with SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the SEBI AIF Regulations, as the case may be.

## NOTICE TO OVERSEAS INVESTORS

The distribution of the Issue Material and the Issue of Rights Entitlements or the Rights Shares on a rights basis to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Persons in whose possession the Issue Material may come are required to inform themselves about and observe such restrictions.

Our Company is making this Issue on a rights basis to the Eligible Shareholders as on Record Date and will dispatch the Issue Materials through email and courier to such Eligible Shareholders who have a registered address in India or have provided an Indian address to our Company. The Draft Letter of Offer will be provided, through email and courier, by the Registrar on behalf of our Company to the Eligible Shareholders who have provided their Indian addresses to our Company or who are in jurisdictions where the offer and sale of the Rights Shares is permitted under laws of such jurisdictions and in each case who make a request in this regard. Those overseas shareholders, who have not updated our records with their Indian address or the address of their duly authorized representative in India, prior to the date on which we propose to dispatch the Issue Materials, shall not be sent the Issue Materials. Investors can also access the Issue Material from the websites of the Registrar, our Company, and on BSE Limited.

No action has been or will be taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that the Draft Letter of Offer has been filed with BSE Limited for observations. Accordingly, the Rights Entitlements or the Rights Shares may not be offered or sold, directly or indirectly, and the Issue Materials may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Receipt of the Issue Materials will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer, and, under such circumstances, Issue Materials must be treated as sent for information only and should not be acted upon for subscription to Rights Shares and should not be copied or redistributed. Accordingly, persons receiving a copy of the Issue Materials should not, in connection with the Issue of Rights Entitlements or the Rights Shares, distribute or send the same in or into any jurisdiction where to do so would or might contravene local securities laws or regulations. If Issue Materials are received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Rights Entitlements, or the Rights Shares referred to in the Issue Materials.

Any person who makes an application to acquire the Rights Entitlement or the Rights Shares offered in this Issue will be deemed to have declared, represented, warranted, and agreed that she/he is authorized to acquire the Rights Entitlement or the Rights Shares in compliance with all applicable laws and regulations prevailing in her/his jurisdiction. Our Company, the Registrar or any other person acting on behalf of us reserve the right to treat any Application Form as invalid where we believe that the Application Form is incomplete, or acceptance of such Application Form may infringe applicable legal or regulatory requirements and we shall not be bound to Allot or issue any Rights Entitlement or Rights Shares in respect of any such Application Form.

Neither the delivery of Issue Materials nor any sale hereunder, shall under any circumstances create any implication that there has been no change in our Company's affairs from the date hereof or that the information contained herein is correct as at any time subsequent to the date of the Letter of Offer.

**The contents of the Issue Materials should not be construed as legal, tax or investment advice. Prospective investors may be subject to adverse foreign, state, or local tax or legal consequences as a result of the offer of Right Entitlements or Rights Shares. As a result, each Investor should consult its own counsel, business advisor, and tax advisor as to the legal, business, tax, and related matters concerning the offer of the Rights Entitlement or the Rights Shares. In addition, our Company is not making any representation to any offeree or purchaser of the Rights Entitlement or the Rights Shares regarding the legality of an investment in the Rights Entitlement or the Rights Shares by such offeree or purchaser under any applicable laws or regulations.**

### NO OFFER IN THE UNITED STATES

The Right Entitlements or the Rights Shares of our Company have not been and will not be registered under the Securities Act, or any U.S. state securities laws and may not be offered, sold, resold, or otherwise transferred within the United States of America or the territories or possessions thereof, except in a transaction exempt from the registration requirements of the Securities Act. The rights referred to in the Issue Materials are being offered in India, but not in the United States. The offering to which the Issue Materials relate to is not and are under no circumstances to be construed as, an offering of any Right Entitlement or the Rights Shares for sale in the United States or as a solicitation therein of an offer to buy any of the said Right Entitlement or the Rights Shares. Accordingly, the Issue Materials should not be forwarded to or transmitted in or into the United States at any time.

Neither our Company nor any person acting on behalf of our Company will accept subscriptions or renunciation from any person, or the agent of any person, who appears to be, or who our Company or any person acting on behalf of our Company has reason to believe is in the United States when the buy order is made. Envelopes containing an Application Form and Rights Entitlement Letters should not be postmarked in the United States or otherwise dispatched from the United States or any other jurisdiction where it would be illegal to make an offer, and all persons subscribing for the Right Entitlements or the Rights Shares and wishing to hold such Rights Shares in registered form must provide an address for registration of the Equity Shares in India. Any person who acquires Right Entitlements or Rights Shares will be deemed to have declared, represented, warranted, and agreed, that:

1. It is not and that at the time of subscribing for the Right Entitlements or the Rights Shares, it will not be, in the United States when the buy order is made,
2. It does not have a registered address (and is not otherwise located) in the United States, and
3. It is authorized to acquire the Right Entitlements or the Rights Shares in compliance with all applicable laws and regulations.
4. Our Company reserves the right to treat as invalid any Application Form which:

5. Does not include the certification set out in the Application Form to the effect that the subscriber does not have a registered address (and is not otherwise located) in the United States and is authorized to acquire the rights and the Equity Shares in compliance with all applicable laws and regulations;
6. Appears to our Company or its agents to have been executed in or dispatched from the United States;
7. Where a registered Indian address is not provided; or
8. Where our Company believes that the Application Form is incomplete or acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to allot or issue any Rights Entitlement or the Right in respect of any such Application Form.

**THIS DOCUMENT IS SOLELY FOR THE USE OF THE PERSON WHO RECEIVED IT FROM OUR COMPANY OR FROM THE REGISTRAR. THIS DOCUMENT IS NOT TO BE REPRODUCED OR DISTRIBUTED TO ANY OTHER PERSON.**

## PRESENTATION OF FINANCIAL INFORMATION AND USE OF MARKET DATA

### CERTAIN CONVENTIONS

In this Draft Letter of Offer, unless otherwise indicated or the context otherwise requires, all references to the/our 'Company', 'we', 'our', 'us' or similar terms are to Rajnish Wellness Limited or, as the context requires, and references to 'you' are to the Equity Shareholders and/ or prospective Investors in the Equity Shares.

Unless otherwise specified, any time mentioned in this Draft Letter of Offer is in Indian Standard Time.

Unless indicated otherwise, all references to a year in this Draft Letter of Offer are to a calendar year.

### FINANCIAL DATA

Unless stated otherwise, the financial data in this Draft Letter of Offer is derived from the Financial Statements, which have been prepared in accordance with Ind As, Accounting Standards, Companies Act, 2013. For further details, please refer to the section titled '**Financial Information**' beginning on page 60 of this Draft Letter of Offer.

In this Draft Letter of Offer, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding-off, and unless otherwise specified, all financial numbers in parenthesis represent negative figures.

### CURRENCY OF PRESENTATION

All references in this Draft Letter of Offer to 'Rupees', 'Rs.', '₹', 'Indian Rupees' and 'INR' are to Rupees, the official currency of the Republic of India.

All references to 'U.S. \$', 'U.S. Dollar', 'USD' or '\$' are to United States Dollars, the official currency of the United States of America.

#### ***Please Note:***

One million is equal to 1,000,000/10 lakhs;

One billion is equal to 1,000 million/100 crores;

One lakh is equal to 100 thousand;

One crore is equal to 10 million/100 lakhs;

## FORWARD LOOKING STATEMENTS

Our Company has included statements in this Information Memorandum, that contain words or phrases such as "will", "aim", "will likely result", "believe", "expect", "will continue", "anticipate", "estimate", "intend", "plan", "project", "shall", "contemplate", "seek to", "future", "objective", "goal", "project", "should", "will continue", "will pursue" and similar expressions or variations of such expressions that are "forward-looking statements". However, these words are not the exclusive means of identifying forward-looking statements. All statements regarding our Company objectives, plans or goals, expected financial condition and results of operations, business plans and prospects are also forward-looking statements.

These forward-looking statements include statements as to business strategy, revenue and profitability, planned projects and other matters discussed in this Draft Letter of Offer regarding matters that are not historical fact. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

Further, actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties or assumptions associated with the expectations with respect to, but not limited to, regulatory changes pertaining to the industry in which our Company operates and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes, changes in competition in its industry and incidents of any natural calamities and/or acts of violence. Important factors that could cause actual results to differ materially from our Company's expectations include, but are not limited to, the following:

- Uncertainty of the upcoming or continuing impact of the COVID -19 or any new variant of the pandemic on our business and operations;
- General economic and business conditions in India and other countries;
- Changes in laws and regulations relating to the Sectors in which we operate;
- Fluctuation in operating cost;
- Ability to retain the customers is heavily dependent upon various factors including our reputation and our ability to maintain a high level of service quality including our satisfactory performance for the customers;
- We operate in a significantly fragmented and competitive market in each of our business segments;
- Regulatory changes relating to the finance and capital market sectors in India and our ability to respond to them;
- Our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks that have an impact on our business activities or investments;
- The monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic and foreign laws, regulations and taxes and changes in competition in our industry;
- Changes in the value of the Rupee and other currencies;
- Our ability to manage risks that arise from these factors;
- Any adverse outcome in the legal proceedings in which we/our group companies are/may get involved;
- Any factor beyond our control;
- The occurrence of natural disasters or calamities; and
- Change in political and social condition in India.

For a further discussion of factors that could cause the actual results to differ, please refer to the section titled '**Risk Factors**' beginning on page 16 of this Draft Letter of Offer. By their nature, certain market risk disclosures are only estimates and could materially be 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 and are not a guarantee of future performance. Our Company or advisors does not 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 BSE Limited's requirements, our Company shall ensure that Investors in India are informed of material developments until the time of the grant of listing and trading permission by the BSE Limited.

## SECTION II – SUMMARY OF THE DRAFT LETTER OF OFFER

The following is a general summary of certain disclosures included in this Draft Letter of Offer and is neither exhaustive, nor does it purport to contain a summary of all the disclosures in this Draft Letter of Offer or all details relevant to prospective Investors. This summary should be read in conjunction with and is qualified by, the more detailed information appearing in this Draft Letter of Offer, including the sections titled **‘Risk Factors’**, **‘Objects of the Issue’**, **‘Business Overview’** and **‘Outstanding Litigations, Defaults and Material Developments’** beginning on pages 16, 38, 45, and 88 of this Draft Letter of Offer, respectively.

### SUMMARY OF OUR BUSINESS

Our Company is one of the well renowned players in the Healthcare Industry. Our Company is mainly engaged in the business of selling various products in the categories ranging from pharmaceutical products, consumer durables to ayurvedic personal care products. Company’s major focus area is pharmaceutical, sexual wellness, energy revitalization and ayurvedic personal care products. Changing lifestyle and awareness of health and wellness leads to increase in demand for sexual wellness and energy revitalization products. Our Current product portfolio is concentrated on pharma and ayurvedic products.

Recently, the Company has started with the franchise model under the brand name of **“DAVA DISCOUNT”**. ‘Dava Discount’ is an initiative to supply all the pharmaceutical products throughout the country with its Dava Discount franchise. Our Company has established a pharma centric platform for Dava Discount to focus more on this model i.e., <https://davadiscount.com>. The objective behind the model Dava Discount is to provide all branded medicines at a discounted/reasonable/competitive price to public at large. Our Company has entered into several franchise across India and has also received an in-principal approval from the Eastern Railways for setting up business centers at 500 plus stations across Tier I, II and III cities. With a presence in over 21 states and over 500 super stockists and 10,000 distributors having presence in more than 100,000 medical stores pan India. Our company has chalked out huge expansion of its division 'Dava Discount' Franchisee outlets. The Dava Discount model works on Franchisee model and offers a discount of Flat 25% on all branded medicine all over India with home delivery. The company has reached a figure of more than 80 franchise outlets at various locations within Mumbai. We continuously seek to expand our network and believe in providing the best price in the industry.

### OBJECTS OF THE ISSUE

The details of Issue Proceeds are set forth in the following table:

Particulars	Amount (₹ in Lakhs)
Gross Proceeds from the Issue	Up to 4990.00
Less: Estimated Issue related Expenses	100.00
<b>Net Proceeds from the Issue*</b>	<b>4890.00</b>

*\*Assuming full subscription and receipt of all Call Monies with respect to Rights Shares*

The intended use of the Net Proceeds of the Issue by our Company is set forth in the following table:

Sr. No.	Particulars	Amount (₹ in Lakhs)
1.	Working Capital	3668.00
2.	General Corporate Purpose	1222.00
	<b>Total Net Proceeds</b>	<b>4890.00</b>

*Kindly note, in an event of any under-utilization of funds from the aforesaid stated objects of the Issue, the Company shall have the liberty to utilize the said balance fund for General Corporate Purpose, which shall not in any event exceed 25.00% (Twenty-Five Percent) of the Gross Proceeds (inclusive of the aforementioned fund requirement for General Corporate Purpose);*

For further details, please refer to the Section titled **‘Objects of the Issue’** beginning on page 38 of this Draft Letter of Offer.

### SUBSCRIPTION TO THE ISSUE BY OUR PROMOTER AND PROMOTER GROUP

The Promoter of our Company through their letters dated Thursday, August 03, 2023, have confirmed that he may subscribe in part or to full extent of their Rights Entitlement and that he may renounce all or a portion of his Rights Entitlements subject to compliance with the provisions Companies Act, the SEBI ICDR Regulations, the Takeover Regulations and other applicable laws/ regulations.

The allotment of Equity Shares of the Company subscribed by the Promoter in this Issue shall be eligible for exemption from open offer requirements in terms of Regulation 10(4)(a) of the SEBI (SAST) Regulations. The Issue shall not result in a change of control of the management of our Company in accordance with the provisions of SEBI (SAST) Regulations. Our Company is in compliance with Regulation 38 of the SEBI (LODR) Regulations and will continue to comply with the minimum public shareholding requirements under applicable law, pursuant to this Issue.

### FINANCIAL INFORMATION

The following table sets forth the summary financial information derived from the Audited Financial Statements, prepared in accordance with Ind AS and the Companies Act, 2013, for the Financial Years ending March 31, 2023, and March 31, 2022 and March 31, 2021.



(₹ in Lakhs)

Particulars	Audited Financial Statements for the Financial Year ending		
	March 31, 2023	March 31, 2022	March 31, 2021
Equity Share Capital	7,684.75	1,051.58	467.37
Net Worth	8,298.04	2,212.02	1,593.28
Total Income	2,761.82	2,737.30	1,698.26
Profit / (loss) after tax	46.01	39.19	9.97
EPS (in ₹)	0.1	0.37	0.21
Net asset value per Equity Share (in ₹)	1.15	2.57	3.40
Total borrowings	538.59	707.42	864.11

## AUDITOR QUALIFICATIONS

For details on auditor qualifications, please refer to section titled '*Financial Information*' beginning on page 60 of this Draft Letter of Offer.

## OUTSTANDING LITIGATIONS

Nature of cases	Number of cases	Amount involved (Rs. in lakhs)
<b>Litigations involving our Company</b>		
Litigation Involving Actions by Statutory/Regulatory Authorities	-	-
Litigation involving Tax Liabilities	3	406.69
Proceedings involving issues of moral turpitude or criminal liability on the part of our Company	-	-
Proceedings involving Material Violations of Statutory Regulations by our Company	-	-
Matters involving economic offences where proceedings have been initiated against our Company	-	-
Other proceedings involving our Company which involve an amount exceeding the Materiality Threshold or are otherwise material in terms of the Materiality Policy, and other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company	-	-
<b>Litigation involving our Directors, Promoter and Promoter Group</b>	1	50.44
Litigation Involving Actions by Statutory/Regulatory Authorities	-	-
<b>Litigation involving our Group Companies</b>	-	-

For further details, please refer to section titled '*Outstanding Litigations, Defaults and Material Developments*' beginning on Page 88 of this Draft Letter of Offer.

## RISK FACTORS

For details of potential risks associated with our ongoing business activities and industry, investment in Equity Shares, material litigations which impact the business of the Company and other economic factors, please refer to the section titled '*Risk Factors*' beginning on page 16 of this Draft Letter of Offer.

## CONTINGENT LIABILITIES

For details of the contingent liabilities, as reported in the Financial Statements, please refer to the section titled '*Financial Information*' on page 60 and beginning '*Outstanding Litigations, Defaults and Material Developments*' on page 88 of this Draft Letter of Offer.

## RELATED PARTY TRANSACTIONS

For details of the related party transactions, as reported in the Financial Statements, please refer to the section titled '*Financial Information*' beginning on page 60 of this Draft Letter of Offer.

## FINANCING ARRANGEMENTS

There have been no financing arrangements whereby our Promoter, Directors and their relatives have financed the purchase, by any other person of Equity Shares other than in the normal course of the business of the financing entity during the period of 6 (Six) months immediately preceding the date of this Draft Letter of Offer.

## ISSUE OF EQUITY SHARES FOR CONSIDERATION OTHER THAN CASH IN THE LAST ONE YEAR

Our Company has not issued any Equity Shares for consideration other than cash during the last 1 (One) year immediately preceding the date of filing this Draft Letter of Offer except the issue of Bonus equity shares in the ratio of 2:1 to the shareholders as on July 22, 2022.

### SECTION III – RISK FACTORS

An investment in our Equity Shares involves a high degree of risk. You should carefully consider each of the following risk factors and all other information set forth in this Draft Letter of Offer, including in ‘**Business Overview**’, ‘**Industry Overview**’, and ‘**Financial Information**’ beginning on pages 49, 45, and 60 respectively in this Draft Letter of Offer, before making an investment in our Equity Shares.

The risks and uncertainties described below are not the only risks that we currently face; additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also adversely affect our business, financial condition, results of operations, and cash flows. If any or some combination of the following risks, or other risks that are not currently known or believed to be adverse, actually occur, our business, financial condition, and results of operations could suffer, the trading price and the value of your investment in, our Equity Shares could decline and you may lose all or part of your investment. To the extent the COVID-19 pandemic has adversely affected and may affect our business and financial results, it may also have the effect of increasing many of the other risks described in this section, such as those relating to non-payment or default by borrowers. In making an investment decision with respect to this Issue, you must rely on your own examination of our Company and the terms of this Issue, including the merits and risks involved. You should consult your tax, financial, and legal advisors about the consequences of an investment in our Equity Shares and its impact on you.

This Draft Letter of Offer also contains forward-looking statements that involve risks and uncertainties. Our results could differ materially from such forward-looking statements because of certain factors, including the considerations described below and elsewhere in this Draft Letter of Offer.

Unless specified or quantified in the relevant risk factors below, we are not able to quantify the financial or other implications of any of the risks described in this section. Unless the context otherwise requires, in this section, reference to ‘we’, ‘us’, ‘our’ refers to our Company.

#### **Materiality:**

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

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

The financial and other related implications of risks concerned, wherever quantifiable have been disclosed in the risk factors mentioned below. However, there are risk factors where the impact may not be quantifiable and hence, the same has not been disclosed in such risk factors. The numbering of the risk factors has been done to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk over another. In this Draft Letter of Offer, any discrepancies in any table between total and sums of the amount listed are due to rounding off.

The risk factors are classified as under for the sake of better clarity and increased understanding.

#### **INTERNAL RISK FACTORS**

##### **1. Outstanding litigations filed by and against our Company, our Directors, Promoter and Promoter Group.**

The Outstanding Demand showing against the promoter/Directors under Income Tax portal i.e., [www.incometax.gov.in](http://www.incometax.gov.in) are as follows:

Name of the Promoter/Directors	Number of cases	Assessment Year	Amount (In Lakhs)
Rajnish Kumar Singh	1	2022-23	50.44

If a significant portion of these liabilities materialize, it could have an adverse effect on our business, financial condition, and results of operations. For further details, kindly refer to the section titled ‘**Outstanding Litigations, Defaults and Material Developments**’ beginning on page 88 of this Draft Letter of Offer.

##### **2. The registered office and other properties of our Company are not owned by us. If we require vacating the same due to any reason whatsoever, it may adversely affect our business operations.**

We operate from our registered office situated at Plot No. 24, ABCD, Govt. Industrial Estate, Charkop, Kandivali (West), Mumbai – 400 067, which has been taken on lease for using the said premises as our registered office by Current lease deed dated September 01, 2020 for a period from September 01, 2020 to August 31, 2025. In case of termination of Lease by any reason, or if they seek to renew such agreement on terms and conditions un-favorable to us, or if they terminate the agreement, we may suffer a disruption in our operations or increased costs, or both, which may adversely affect our business, financial condition, results of operations and cash flows. Also, we will be required to locate new premises for our office. We may not be able to find the same in a timely manner or at all. Further, even if we are able to locate a new premise, they may be on terms not favorable to us or not within the parameters of our requirements. Our inability to identify the new premises may adversely affect the operations and financial conditions of our Company.

**3. Some of Our Logos are registered and Some of them have been abandoned. If we fail to obtain trademark registration of our logo, our brand building efforts may be hampered which might lead to adverse effect on our business.**

Our Company has various trademarks applications which are abandoned in status as mentioned in the Chapter Titled Government & Other Approvals on page 90 of this Draft Letter of Offer. These abandoned trademarks could not be registered in the name of the Company. Therefore, there is no guarantee that the abandoned trademarks will not be used by any third party or any competitor. This may affect our brand image in market adversely.

In the absence of such registrations, competitors and other companies may challenge the validity or scope of our intellectual property right over these brands or our product logo. As a result, we may be required to invest significant resources in developing new brands or names, which could materially and adversely affect our business, financial condition, results of operations and future prospects.

Therefore, we do not enjoy the statutory protection on our abandoned trademarks/logos as accorded to a registered trademarks and are subject to various risks arising out of the same, including but not limited to passing off, infringement by a third party. Thereby, our ability to use those logos may be limited and impaired. There can be no assurance that we will be able to register our trademarks or prevent the infringement or passing off from the third party, which can result in loss of business, loss in goodwill and reputation and adversely affect our business, financial condition, results of operations and prospects. Also, subsequent to the registration of our trademark and case of failure to renew our intellectual property on time, it may also adversely affect our business operations.

**4. Our Company had negative cash flow in recent 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 mentioned table and our Company has reported negative cash flow in certain financial years and which could affect our business and growth:

(Rs. In Lakhs)

Particulars	For the Financial Year ended March 31		
	2023	2022	2021
Cash Flow from Operating Activities	(6,208.30)	(1.18)	8.81
Cash Flow from Investing Activities	(3.09)	(2.94)	-
Cash Flow from Financing Activities	6,154.19	78.04	(2.62)

For further details, see “Financial Information” and “Management Discussion and Analysis of Financial Condition and Results of operations” on pages 60 and 81, respectively. We cannot assure you that our net cash flows will be positive in the future.

**5. We rely on external manufacturers for production of all our own-branded products**

We do not have any production facilities or production lines of our own and we have to outsource the production of all our own-branded products to external manufacturers. However, our control over these external manufacturers in respect of their production process and our products is to some extent limited. We cannot assure you that (i) there will not be any unexpected interruption of their supply of products to us or any increase in the production costs for any reason beyond our control or expectation, such as introduction of new regulatory requirements, loss of their certifications or licenses, power interruptions, fires or other events; or (ii) the products provided to us by them can meet our quality requirements. Any such problems in relation to the supply of our own-branded products by external manufacturers could have a material adverse impact on the Product Development Segment of our business.

By engaging external manufacturers to manufacture all our own-branded products, we are also exposed to the risk that our external manufacturers having access to our technical know-how may disclose our technical know-how to our competitors. This may have an adverse impact on us. We cannot assure you that the measures we have taken to protect our intellectual property rights and trade secrets against leakage by our external manufacturers are effective.

**6. Our products have Shelf-Life, any inability on our part to deliver our products at the right time in the markets could have a material adverse effect on our business, results of operation and financial condition.**

We are engaged in dealing in pharmaceuticals, energy revitalization products, personal care products, ayurvedic medicines and same has certain validity before which the same needs to be used and consumed. Hence, we have to ensure that right quantity and quality of our products reach to the consumer in a timely manner. Any interruption in supply of our products to the various markets, due to any reason including those not within our control, could have a material adverse effect on our business, results of operation and financial condition. In particular, if operations at their manufacturing facility were to be disrupted as a result of any significant workplace accident, equipment failure, natural disaster, power outage, fire, explosion, terrorism, adverse weather conditions, labour dispute, obsolescence or other reasons, our financial performance may be adversely affected as a result of our inability to meet customer demand or committed delivery schedules for our products. Interruptions in production may also increase our costs and reduce our sales, and may require us to make substantial capital expenditures to remedy the situation or to defend litigation that we may become involved in as a result, which may negatively affect our profitability, business, financial condition, results of operations, cash flows and prospects.

**7. Our ability to retain our distributors is heavily dependent upon various factors including our reputation and our ability to maintain a high level of service quality including our satisfactory performance for the distributors. Any failure by us to retain or attract customers may impact its business and revenues.**

We are a leading- players in Sexual Wellness products related industry. We believe that our brands are widely recognized in major cities of India by general public at large. We also believe our strong brand reputation has helped us attract and retain our customers and distributors. As a result, our

reputation and perception of our brands are critical to our business. Although, we believe that we as well as our distributors have a dedicated and talented team of professionals that comprise of experienced personnel in the related field. It is important that we retain the trust placed by our distributors on our customers satisfaction-oriented approach. We must also continue to attract more and increase the number of our customers serviced by us at a consistent rate. We attempt to retain our position by maintaining quality and by our ability to improve and add value to our products. This requires constant upgradation of the methodology and technology. Further, we rely on a variety of advertising efforts tailored to target the customers, such as advertising through print and electronic media, outdoor media, below the line advertising activities such as distributing leaflets, displays, brochures, and ambient media, amongst others. Further, due to the relatively low barriers of entry in the sector, new entrants may compete with the existing players with lesser difficulty as compared to other sectors. Further, if the clients perceive that the products are unsuitable or not suited to their requirements, it may adversely impact our ability to retain and attract new clients. Any failure by us to retain or attract clients may adversely impact our business and revenues.

**8. *Our inability to collect receivables and default in payment from our franchise could result in the reduction of our profits and affect our cash flows.***

Our business operations depend on our ability to successfully obtain payment from our franchise(s) for our products sold to them. Our Company is in process of billing and collecting on relatively short cycles and maintaining provisions against receivables and unbilled services. Actual losses on client balances could differ from those that we currently anticipate and as a result we might need to adjust our provisions. Our credit terms vary from the start date of the invoice to approximately 15 days for our customers. In spite of our efforts to collect our dues from the respective creditors within the stipulated time, and further providing extended credit periods to collect our dues, we face the risk of non-receipt of our outstanding amounts in a timely manner or at all, particularly in the absence of long-term arrangements with customers. We may also be required to write off trade receivables or increase provisions made against our trade receivable. Any changes in the financial position of our customers that adversely affects their ability to pay and failure of any of our customers to make timely payments. We cannot guarantee that our customers will not default on their payments. Our inability to collect receivables from our customers in a timely manner or at all in future, could adversely affect our working capital cycle and cash flows.

**9. *Changes in customer preferences could affect our business, financial condition, results of operations and prospects.***

Any change in the customer preference can render our old stock obsolete, as changes in customer preference are generally beyond our control. Some or all of our products may become less attractive in light of changing customer preferences or better products by competitors and we may be unable to adapt to such changes in a timely manner. However, we constantly focus on research and development and to develop new products to cater the customer needs, any change in customer preferences that decreases demand could affect our business, financial condition, results of operations and prospects.

**10. *Our inability to maintain an optimal level of Stock for our business may impact our operations adversely.***

Our daily operations largely depend on consistent Stock control which is generally dependent on our projected sales in different months of the year. It also largely depends on the forecast and trends for the forthcoming season. An optimal level of Stock is important to our business as it allows us to respond to customer demand effectively and to maintain a range of stock. If we over-stock Stock, our required working capital will increase and if we under-stock inventory, our ability to meet consumer demand and our operating results may be adversely affected. Any mismatch between our planning and the actual offtake by customers can impact us adversely.

**11. *Our Trading activities are exposed to fluctuations in the prices of traded goods.***

Our Company is dependent on third party suppliers for procuring the traded goods. We are exposed to fluctuations in the prices of these traded goods as well as its unavailability, particularly as we typically do not enter into any long-term supply agreements with our suppliers and our major requirement is met in the spot market. We may be unable to control the factors affecting the price at which we procure the materials. We also face the risks associated with compensating for or passing on such increase in our cost of trades on account of such fluctuations in prices to our customers. Upward fluctuations in the prices of traded goods may thereby affect our margins and profitability, resulting in a material adverse effect on our business, financial condition and results of operations. Though we enjoy favorable terms from the suppliers both in prices as well as in supplies, our inability to obtain high quality materials in a timely and cost-effective manner would cause delays in our production/trade cycles and delivery schedules, which may result in the loss of our customers and revenues.

**12. *Our operational results substantially rely on mass public consumers.***

We sell our products to the general public consumers through our distribution network, which inter alia includes chain retailers, individual retailers and distributors. The general acceptance by consumers of the brands and products developed and marketed by us is of vital importance to our success and it hinges on a number of factors such as brand image, product quality and customer loyalty. If we fail to generate demand for our existing or new products or fail to maintain consumer loyalty, our business, operational and financial results may be adversely affected.

**13. *The availability of counterfeit drugs, such as drugs passed off by others as our products, could adversely affect our goodwill and results of operations.***

Entities in India and abroad could pass off their own products as ours, including counterfeit or pirated products. For example, certain entities could imitate our brand name, packaging materials or attempt to create look-alike products. As a result, our market share could be reduced due to replacement of demand for our products and adversely affect our goodwill. The proliferation of counterfeit and pirated products, and the time and attention lost to defending claims and complaints about counterfeit products could have an adverse effect on our goodwill and our business, prospects, results of operations and financial condition could suffer.

**14. *Introduction of alternative pharmaceutical products caused by changes in technology or consumer needs may affect demand for our existing products which may adversely affect our financial results and business prospects.***

Our business is affected by change in technology, consumer needs, market perception of brand, convenience, health and safety norms. Our ability to anticipate such changes and to continuously develop and introduce new and enhanced products successfully on a timely basis will be a key factor in our growth and business prospects. There can be no assurance that we will be able to keep pace with the technological advances that may be necessary for us to remain competitive. Further, any substantial change in preference of consumers who are end users of our products will affect our customers businesses and, in turn, will affect the demand for our products. Any failure to forecast and/or meet the changing demands of pharmaceutical businesses and consumer needs may have an adverse effect on our business, profitability and growth prospects.

**15. *Our Promoter have interest in our Company, other than reimbursement of expenses incurred or remuneration.***

Our Promoter can be deemed to be interested to the extent of the Equity Shares held by him, dividend entitlement and personal guarantee, provided by him for the Company, and benefits deriving from the directorship in our Company. Our Promoter is interested in the transactions entered into our Company. For further information, please refer to the chapters/section titled “Our Business”, and “Our Management”, beginning on pages 45 and 57 respectively of this Draft Letter of Offer.

**16. *We have entered into certain related-party transactions, and we may continue to do so in the future.***

Our Company has entered into various transactions with our Promoter, Directors and Key Managerial Personnel. These transactions, inter-alia includes remuneration. Our Company has entered into such transactions due to easy proximity and quick execution. While we believe that all such transactions have been conducted on an arm’s length basis and in the ordinary course of business, there can be no assurance that we could not have achieved more favorable terms had such transactions not been entered into with related parties. Furthermore, it is likely that we may enter into related party transactions in the future. Any future transactions with our related parties could potentially involve conflicts of interest. Accordingly, there can be no assurance that such transactions, individually or in the aggregate, will not have a material adverse effect on our business, financial condition, cash flows, results of operations and prospects

**17. *Some of Our products may cause unexpected or undesirable side effects unknown to us which may result in costly product returns or recalls.***

Our own-branded products contain a number of ingredients, some of which or the combination of which may cause side effects that are unknown to us. In particular, all our own-branded products are produced by external manufacturers, who may adulterate harmful chemicals or substances with other raw materials in production of our products. Though we have measures in place to control the quality of our raw materials and the finished products, we cannot assure you that we will be able to detect defective raw materials or finished products in every circumstance. If any side effects occur or if our products are perceived to have such side effects, we may be affected financially as a result of consequential product returns or recalls, product liability claims, which in turn could lead to severe adverse publicity, and investigation by relevant government authorities and prosecution, monetary losses or even lawsuits.

We cannot assure you that product returns or recalls would not happen to our own-branded products in the future. Substantial amount of product returns or recalls could materially and adversely affect our business, financial condition and results of operations.

**18. *We generally do business with our Super Stockiest on purchase order basis and do not enter into long-term contracts with most of them.***

Our business is dependent on our continuing relationships with our Super Stockiest. Our Company neither has any long-term contract with any of our Super Stockiest nor has any marketing tie up for our products. Any change in the buying pattern of our end users or disassociation of major Super Stockiest can adversely affect the business of our Company. The loss of or interruption of work by a significant Super Stockiest or a number of significant customers or the inability to procure new orders on a regular basis or at all may have an adverse effect on our revenues, cash flows and operations.

**19. *Our Company does not have any long-term contracts with our clients and suppliers, which may adversely affect our results of operations.***

We are, to a major extent, dependent on external suppliers for our goods requirements and we do not have any long-term supply agreements or commitments in relation to the same. There can be no assurance that there will not be a significant disruption in the supply of goods from current sources or in the event of a disruption, that we would be able to locate alternative suppliers of goods of comparable quality on terms acceptable to us, or at all. Identifying a suitable supplier involves a process that requires us to become satisfied with their quality control, responsiveness and service, financial stability and labour and other ethical practices. In case of non-availability of goods on favorable terms, we may have to procure the same at the terms and conditions prevalent at that point. This may result in reducing our revenues by a considerable amount due to shortage of goods or due to inability to procure the same. Further, unfavorable terms of goods may also force us to reduce the scale of our operations resulting in a down-sizing of our overall business.

We may have to put on hold any expansion plans and our future growth will be severely stunted. Any delay, interruption or increased cost in the supply arising from a lack of long-term contracts could have an adverse effect on our ability to meet customer demand for our products and result in lower revenue from operations both in the short and long term. Also, Our Company has had long standing business relationships with certain customers and has been supplying our products to such customers for long time. However, we have not entered into any long-term contracts with these customers and we cater to them on an order-by-order basis. As a result, our customers can terminate their relationships with us without any notice and which could materially and adversely impact our business.

**20. *Any Penalty or demand raised by statutory authorities in future will affect our financial position of the Company.***

Our Company is engaged in business of trading of pharmaceutical products, which attracts tax liability such as Goods and Service tax, Income tax, and professional tax as per the applicable provisions of Law. We are also subject to the labour laws like depositing of contributions with Provident Fund. However, we have deposited the required returns under various applicable Acts but any demand or penalty raised by the concerned authority in future for any previous year and current year will affect the financial position of the Company.

**21. *There is no monitoring agency appointed by Our Company to monitor the utilization of the Issue proceeds.***

As per SEBI (ICDR) Regulations, 2018, as amended, appointment of monitoring agency is required only for Issue size above ₹10,000.00 Lacs. Hence, we have not appointed any monitoring agency to monitor the utilization of Issue proceeds. However, the audit committee of our Board will monitor the utilization of Issue proceeds in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, our Company shall inform about material deviations in the utilization of Issue proceeds to the stock exchange and shall also simultaneously make the material deviations / adverse comments of the audit committee public.

**22. *Reliance on major suppliers.***

Our four largest suppliers in aggregate accounted for approximately 85.52% of the total purchases of our Company as at period ended March 31, 2023. We have relied on and expect to continue to rely on these major suppliers for a significant portion of our purchases. If they fail to make timely delivery of their products and our team fails to source from other suppliers in a timely and cost-effective manner, the operation of our team could be delayed. The relationship between our team and its customers could also be adversely affected as a result of any such delays, which could in turn materially and adversely affect the business operations and financial performance of our team.

During the Period, we have not entered into any long-term supply agreement with any of our key suppliers in our Business. There is no assurance that our suppliers will continue to supply their products to us in the future at all or maintain a stable source of supply of products to us. If these suppliers are unable or unwilling to do so, there is also no assurance that we would be able to source similar products from alternative sources at all, or at commercially reasonable prices, or in a timely manner or at favorable terms.

**23. *Our business largely depends on the performance of our distributors. Any non-performance by these distributors may adversely affect our business operations, profitability and cash flows.***

Our business largely depends on the performance of our distributors, who may be responsible for selling our products at domestic level. Currently, we have more than [300+] major distributors. We can give no assurance that the performance of such distributors will meet our required specifications or performance parameters. Such distributors are independent third parties over which we do not have control.

Additionally, we do not have any non-compete agreement with such distributors and in the event that such distributors enter into agreements with competitors, we may not be able to take any course of action. Furthermore, our agreements with our distributors are fairly standard and may not adequately protect our Company in the event of any disputes or differences with our distributors. Any non-performance of obligations by our distributors or any breach of the terms of the agreement by our distributors may render our Company remediless and thereby consequently exposing our Company to adverse consequences and financial implications.

As a result, our growth, results of operations and the integrity of our brand name in these areas is dependent on the performance of these distributors. Moreover, there can be no assurance that our distributors will be able to generate adequate revenue consistently, and we may be exposed to credit risks associated with non-payment or untimely payments from our distributors.

**24. *Termination of Franchise Agreements or fail to establish new franchise, could negatively impact our revenues and profitability.***

In case of termination of current franchise due to any reason and fail to establish new franchise would lead to halt in the growth and profit of the Company. Most of clients/distributors carry no commitment to a specific volume of business or future work. Our business is dependent on the decisions and actions of our franchise, and there are a number of factors relating to our clients that are outside our control that might result in the termination of contract or the loss of a franchise. Therefore, our business may be adversely affected if any of our contracts are terminated by franchise.

**25. *Our Company's failure to maintain the quality standards of the products could adversely impact our business, results of operations and financial condition.***

The demand for our products depends on the quality that we market. Any failure of ours/manufacture to maintain the quality standards may affect the demand of our product in the market which may affect our business. Although we have put in place strict quality control procedures, we cannot assure that our products will always be able to satisfy our customer's quality standards. Any negative publicity regarding our Company, or products, including those arising from any deterioration in quality of our products or any other unforeseen events could adversely affect our reputation, our operations and our results from operations.

**26. *The industry segments in which we operate being fragmented, we face competition from other players, which may affect our business operations and financial conditions.***



The industry in which we operate is highly competitive. Factors affecting our competitive success include, amongst other things, price, demand for our products, availability of raw materials, brand recognition and reliability. Our competitors vary in size, and may have greater financial, production, marketing, personnel and other resources than us and certain of our competitors have a longer history of established businesses and reputations in the Indian market as compared with us. Competitive conditions in some of our segments have caused us to incur lower net selling prices and reduced gross margins and net earnings. These conditions may continue indefinitely. Changes in the identity, ownership structure, and strategic goals of our competitors and the emergence of new competitors in our target markets may impact our financial performance. New competitors may include foreign-based companies and domestic producers who could enter our markets.

Our failure to compete effectively, including any delay in responding to changes in the industry and market, together with increased spending on advertising, may affect the competitiveness of our products, which may result in a decline in our revenues and profitability.

**27. *Our business is manpower intensive and a high proportion of our total staff comprises of employees on contract. Our business may be adversely affected if we are unable to obtain employees on contract or at commercially attractive costs.***

Our success depends on our ability to attract, hire, train and retain skilled sales personnel. Our business is manpower intensive and our continued growth depends in part on our ability to recruit and retain suitable staff. As on date of this Draft Letter of Offer, we have 47 employees on contract basis. As we expand our network, we will need experienced manpower that has knowledge of the local market.

There can be no assurance that attrition rates for our employees, particularly our sales personnel, will not increase. Further, an increase in costs to retain such employees could also adversely affect our financial condition. A significant increase in our employee attrition rate could also result in decreased operational efficiencies and productivity, loss of market knowledge and customer relationships, and an increase in recruitment and training costs, thereby materially and adversely affecting our business, results of operations and financial condition. We cannot assure you that we will be able to find or hire personnel with the necessary experience or expertise to operate our retail stores in our existing markets or new markets that we are entering into. In the event that we are unable to hire people with the necessary knowledge or the necessary expertise, our business may be severely disrupted, financial condition and results of operations may be adversely affected. Furthermore, a high proportion of our total staff, including our sales personnel, Customer Care executives on contract. While we believe that such a high proportion of employees on contract gives us the necessary flexibility and helps us run our business in an efficient and cost-effective manner, it also makes us more susceptible to sudden shortages and lack of skilled personnel while competing for them with our competitors in the market we operate. Additionally, we have seen an increasing trend in manpower costs in India, which has had a direct impact on our employee costs and consequently, on our margins. We may need to increase compensation and other benefits to attract and retain key personnel in the future and that may materially affect our costs and profitability. We cannot assure you that as we continue to grow our business in the future, our employee costs coupled with operating expenses will not significantly increase.

**28. *We could be harmed by employee misconduct or errors that are difficult to detect and any such incidences could adversely affect our financial condition, results of operations and reputation.***

Employee misconduct or errors could expose us to business risks or losses, including regulatory sanctions and cause serious harm to our reputation. There can be no assurance that we will be able to detect or deter such misconduct. Moreover, the precautions we take to prevent and detect such activity may not be effective in all cases. Our employees may also commit errors that could subject us to claims and proceedings for alleged negligence, as well as regulatory actions on account of which our business, financial condition, results of operations and goodwill could be adversely affected.

**29. *We are dependent on a number of key managerial personnel, including our senior management, 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 key managerial personnel, including our present officers who have specialized technical know-how. The inputs and experience of our senior management and key managerial personnel 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 Company does not maintain any director's and officer's insurance policy or any key man insurance policy. The loss of the services of such persons could have an adverse effect on our business, results of operations, cashflows and financial condition.

**30. *Changes in technology may render current technologies obsolete or require us to make substantial capital investments.***

Since we are dependent on various other manufactures for our products, Modernization and technology upgradation is essential to reduce costs and increase the output. Technology and machineries may become obsolete or may not be upgraded timely, hampering our operations and financial conditions and we may lose our competitive edge. Although we believe that they have installed upgraded technology and that the chances of a technological innovation are not very high in our sector. They may be required to implement new technology or upgrade the machineries and other equipment's employed by them. Further, the costs in upgrading their technology and modernizing the plant and machineries are significant which could substantially affect our finances and operations.

**31. *We require a number of approvals, licenses, registration and permits for our business and failure to obtain or renew them in a timely manner may adversely affect our operations.***

We may require several statutory and regulatory permits, licenses and an approval in the ordinary course of our business, some of which our Company has either received, applied for or is in the process of application. Many of these approvals are granted for fixed periods of time and need renewal from time to time. There can be no assurance that the relevant authorities will issue any of such permits or approvals in the timeframe

anticipated by us or at all. Any failure by us to apply in time, to renew, maintain or obtain the required permits, licenses or approvals, or the cancellation, suspension, delay in issuance or revocation of any of the permits, licenses or approvals may result in the interruption of our operations and may have a material adverse effect on the business.

**32. *Our Company is dependent on third party transportation for the delivery of finished goods and any disruption in their operations or a decrease in the quality of their services could affect our Company's reputation and results of operations.***

Our Company uses third party transportation for delivery of our finished goods. Though our business has not experienced any disruptions due to transportation strikes in the past, any future transportation strikes may have adverse effect on our business. These transportation facilities may not be adequate to support our existing and future operations. In addition, such goods may be lost or damaged in transit for various reasons including occurrence of accidents or natural disasters. There may also be delay in delivery of products which may also affect our business and results of operations negatively. An increase in the freight costs or unavailability of freight for transportation of our finished goods may have an adverse effect on our business and results of operations. Further, disruptions of transportation services due to weather- related problems, strikes, lockouts, inadequacies in the road infrastructure and port facilities. Any such disruptions could materially and adversely affect our business, financial condition and results of operations.

**33. *Our limited operating history makes it difficult to evaluate our business and prospects and may increase the risks associated with your investment.***

We were incorporated in the year 2015 and consequently have a limited operating history upon which our business and future prospects may be evaluated. In the year 2020, we come up with the franchise model and established a brand 'Dava Discount', since our company have limited experience in operating this field, we may not able to explore all possibilities/strength/weakness of this franchise model and which may lead to opportunity loss. Thus, we have very limited operating history from which one can evaluate our business, future prospects and viability. For further details relating to "Our Business" and "Financial Information" beginning on pages 45 and 60 respectively of the Draft Letter of Offer.

**34. *Our Company has Unsecured and Secured Loans, which are repayable on demand. Any demand from lenders for repayment of such unsecured and Secured loans, may adversely affect our business operations and financial condition of our Company.***

As on March 31, 2023, our Company has Secured and Unsecured loans as per financial statements aggregating to Rs. 4,98,11,965 (Four Crore Ninety-Eight Lakh Eleven Thousand Nine Hundred Sixty-Five Only) and Rs. 40,47,454 (Forty Lakhs Forty-Seven Thousand Four Hundred Fifty-Four Only) Lacs respectively for further details of these unsecured loans, please refer to chapter titled "Financial Information" beginning on page 60 of this Draft Letter of Offer. In case of any demand from lenders for repayment of such unsecured loans, the resultant cash outgo, may adversely affect our business operations and financial position of our Company.

**35. *Our Promoter has provided his personal property to certain loan facilities availed by us, which if revoked may require alternative guarantees, repayment of amounts due or termination of the facilities.***

Our Promoter has provided his personal property as security in relation to certain loan facilities availed by us. In the event that any of these securities are revoked, the lenders for such facilities may require alternate security, repayment of amounts outstanding under such facilities, or may even terminate such facilities. We may not be successful in procuring alternative security satisfactory to the lenders, and as a result may need to repay outstanding amounts under such facilities or seek additional sources of capital, which may not be available on acceptable terms or at all and any such failure to raise additional capital could affect our operations and our financial condition.

**36. *We have high working capital requirements. If we experience insufficient cash flows to enable us to make required payments on our debt or fund working capital requirements, there may be an adverse effect on our results of operations.***

Our business requires a substantial amount of working capital for our business operations. We will require additional working capital facilities in the future to satisfy our working capital need which is proposed to be met through the Rights Issue proceeds. In case of our inability to obtain the requisite additional working capital finance, our internal accruals/cash flows would be adversely affected to that extent, and consequently affect our operations, revenue and profitability.

**37. *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.

**38. *Delay in raising funds from the Rights Issue could adversely impact the implementation schedule.***

The proposed objects, as detailed in the section titled "Objects of the Issue" are to be largely funded from the proceeds of the issue. We have not identified any alternatives of our funding and hence any failure or delay on our part to mobilize the required resources or any shortfall in the Issue proceeds may delay the implementation schedule. We therefore cannot assure that we would be able to execute the expansion process within the given time frame, or within the costs as originally estimated by us. Anytime overrun or cost overrun may adversely affect our growth plans and profitability.

**39. *The requirement of funds in relation to the objects of the Issue has not been appraised.***

We intend to use the proceeds of the Issue for the purposes described in the section titled “Objects of the Issue” on page 38. The objects of the Issue have not been appraised by any bank or financial institution. These are based on management estimates and current conditions and are subject to changes in external circumstances or costs, or in other financial condition, business or strategy. Based on the competitive nature of the industry, we may have to revise our management estimates from time to time and consequently our funding requirements may also change. The deployment of the funds towards the objects of the issue is entirely at the discretion of the Board of Directors/Management and is not subject to monitoring by external independent agency. However, the deployment of funds is subject to monitoring by our Audit Committee. Any inability on our part to effectively utilize the Issue proceeds could adversely affect our financials.

**40. *We have not made any alternate arrangements for meeting our capital requirements for the Objects of the Issue. Further we have not identified any alternate source of financing the ‘Objects of the Issue’. 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 capital requirements for the Objects of the Issue. We meet our capital 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 the 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 Issue or any shortfall in the Issue Proceeds may delay the implementation schedule and could adversely affect our growth plans. For further details please refer to “Objects of the Issue” on page 38 of this Draft Letter of Offer.

**41. *Our inability to manage growth could disrupt our business and reduce profitability.***

A principal component of our strategy is to continuously grow by expanding the size and geographical reach of our businesses. This growth strategy will place significant demands on our management, financial and other resources. It will require us to continuously develop and improve our operational, financial and internal controls. Continuous expansion increases the challenges involved in financial management, recruitment, training and retaining high quality human resources, preserving our culture, values and entrepreneurial environment, and developing and improving our internal administrative infrastructure. Any inability on our part to manage such growth could disrupt our business prospects, impact our financial condition and adversely affect our results of operations.

**42. *Our Promoter play key role in our functioning and we heavily rely on their knowledge and experience in operating our business and therefore it is critical for our business that our Promoter remain associated with us.***

We benefit from our relationship with our Promoter Mr. Rajnish Kumar Surendra prasad Singh and our success depends upon the continuing services of our Promoter who have been instrumental for the growth of our business and is closely involved in the overall strategy, direction and management of our business. Our Promoter has been actively involved in the day-to-day operations and management since the incorporation of the Company. Accordingly, our performance is heavily dependent upon the services of our Promoter. If our Promoter is unable or unwilling to continue in his present position, we may not be able to replace him easily or at all.

**43. *Some of the information disclosed in this Draft Letter of Offer is based on information from industry sources and publications which may be based on projections, forecasts and assumptions that may prove to be incorrect. Investors should not place undue reliance on or base their investment decision on this information.***

The information disclosed in the “Industry Overview” section of this Draft Letter of Offer on page 45 is based on information from publicly available platforms, Government and research information, publications and websites and has not been verified by us independently and we do not make any representation as to the accuracy of the information. The data may have been re-classified by us for the purposes of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed, and their reliability cannot be assured. Accordingly, investors should not place undue reliance on, or base their investment decision on this information.

**44. *Certain data mentioned in this Draft Letter of Offer has not been independently verified.***

We have not independently verified data from industry publications contained herein and although we believe these sources to be reliable, we cannot assure that they are complete or reliable. Such data may also be produced on a different basis from comparable information compiled with regard to other countries. Therefore, discussions of matters relating to India and its economy are subject to the limitation that the statistical and other data upon which such discussions are based have not been verified by us and may be incomplete or unreliable.

## **ISSUE SPECIFIC FACTORS**

**45. *Our Company will not distribute the Offer Documents to certain overseas shareholders who have not provided an address in India for service of documents.***

Our Company will dispatch the Offer Documents to such shareholders who have provided an address in India for the service of documents or who are in jurisdictions where the offer and sale of the Rights Shares permitted under laws of such jurisdictions and in each case who make a request in this regard. The Offer Documents will not be distributed to addresses outside India on account of restrictions that apply to the circulation of such materials in various overseas jurisdictions. However, the Companies Act requires companies to serve documents at any address, which may be provided by the members as well as through e-mail. Presently, there is a lack of clarity under the Companies Act, 2013, and the rules thereunder,

with respect to the distribution of Issue Materials in overseas jurisdictions where such distribution may be prohibited under applicable laws of such jurisdictions. While we have requested all the shareholders to provide an address in India for the purposes of distribution of Issue Materials, we cannot assure you that the regulator or authorities would not adopt a different view with respect to compliance with the Companies Act and may subject us to fines or penalties.

**46. *There is no public market for the Rights Shares or Equity Shares outside India.***

After this Issue, there will continue to be no public market for our Equity Shares in the United States or any country other than India. In addition, the holders of the partly paid-up Rights Shares will not be able to trade in these Equity Shares till they are credited to the holders' account as fully paid-up, and thereafter there will also be no public market for the Rights Shares outside of India. We cannot assure you that the face value of the Rights Shares will correspond to the price at which the Rights Shares will trade subsequent to this Issue. This may also affect the liquidity of our Rights Shares and Equity Shares and restrict your ability to sell them.

**47. *Failure to exercise or sell the Rights Entitlements will cause the Rights Entitlements to lapse without compensation and result in a dilution of shareholding.***

The Rights Entitlements that are not exercised prior to the end of the Issue Closing Date will expire and become null and void, and Eligible Equity Shareholders will not receive any consideration for them. The proportionate ownership and voting interest in our Company of Eligible Equity Shareholders who fail (or are not able) to exercise their Rights Entitlements will be diluted. Even if you elect to sell your unexercised Rights Entitlements, the consideration you receive for them may not be sufficient to fully compensate you for dilution of your percentage ownership of the equity share capital of our Company that may be caused because of the Issue. Renounces may not be able to apply in case of failure in completion of renunciation through off-market transfer in such a manner that the Rights Entitlements are credited to the demat account of the Renounces prior to the Issue Closing Date. Further, in case, the Rights Entitlements do not get credited in time, in case of On Market Renunciation (the last day for which is [●] day, [●], 2023), such Renounces will not be able to apply in this Issue with respect to such Rights Entitlements.

**48. *SEBI has recently, by way of Rights Issue Circulars streamlined the process of rights issues. You should follow the instructions carefully, as stated in such SEBI circulars and in this Draft Letter of Offer.***

The concept of crediting Rights Entitlements into the demat accounts of the Eligible Equity Shareholders has recently been introduced by the SEBI. Accordingly, the process for such Rights Entitlements has been recently devised by capital market intermediaries. Eligible Equity Shareholders are encouraged to exercise caution, carefully follow the requirements as stated in the SEBI Rights Issue Circulars and ensure completion of all necessary steps in relation to providing/updating their demat account details in a timely manner. For details, see '*Terms of the Issue*' on page 98 of this Draft Letter of Offer.

In accordance with Regulation 77A of the SEBI (ICDR) Regulations read with the SEBI Rights Issue Circular, the credit of Rights Entitlements and Allotment of Rights Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account (namely being [●]) opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to:

Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI (LODR) Regulations; or

- a. Equity Shares held in the account of IEPF authority; or
- b. The demat accounts of the Eligible Equity Shareholder which are frozen or suspended for debit or credit or details of which are unavailable with our Company or with the Registrar on the Record Date; or
- c. Equity Shares held by Eligible Equity Shareholders holding Equity Shares in the physical form on the Record Date the details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or
- d. Credit of the Rights Entitlements returned/reversed/failed; or
- e. The ownership of the Equity Shares currently under dispute, including any court proceedings.

**49. *Any future issuance of Equity Shares, or convertible securities or other equity-linked securities by our Company may dilute your shareholding and any sale of Equity Shares by our Promoter or members of our Promoter Group may adversely affect the trading price of the Equity Shares.***

Any future issuance of the Equity Shares, convertible securities or securities linked to the Equity Shares by our Company may dilute your shareholding in our Company; adversely affect the trading price of the Equity Shares and our ability to raise capital through an issue of our securities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares. We cannot assure you that we will not issue additional Equity Shares. The disposal of Equity Shares by any of our Promoter and Promoter Group, or the perception that such sales may occur may significantly affect the trading price of the Equity Shares. We cannot assure you that our Promoter and Promoter Group will not dispose of, pledge or encumber their Equity Shares in the future.

**50. *Investors shall not have the option to receive Rights Shares in physical form.***

In accordance with the provisions of Regulation 77A of the SEBI (ICDR) Regulations read with SEBI Rights Issue Circular, the credit of Rights Entitlement and Allotment of Rights Shares shall be made in dematerialised form only. Investors will not have the option of getting the allotment of Equity Shares in physical form.

**51. *The entitlement of Rights Shares to be allotted to investors applying for Allotment in physical form, will be kept in abeyance.***

In accordance with the provisions of SEBI (ICDR) Regulations, the option to receive the Rights Shares in physical form will not be available after a period of 6 (Six) months from the effective date of the SEBI (ICDR) Regulations, being, May 10, 2019. Since the Rights Shares offered pursuant to this Issue will be Allotted only after May 10, 2019, the entitlement of Rights Shares to be Allotted to the Applicants who have applied for Allotment of the Rights Shares in physical form will be kept in abeyance in electronic mode by our Company until the Applicants provide details of their demat account particulars to the Registrar. Pursuant to a press release dated December 03, 2018, issued by the SEBI, with effect from April 01, 2019, a transfer of listed Equity Shares cannot be processed unless the Equity Shares are held in dematerialized form (except in case of transmission or transposition of Equity Shares);

**52. *The Rights Entitlement of Physical Equity Shareholders may lapse in case they fail to furnish the details of their demat account to the Registrar.***

In accordance with the SEBI Circular bearing reference number 'SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020', the credit of Rights Entitlement and Allotment of Equity Shares shall be made in dematerialised form only. Accordingly, the Rights Entitlements of the Physical Equity Shareholders shall be credited in a suspense escrow demat account opened by our Company during the Issue Period. The Physical Equity Shareholders are requested to furnish the details of their demat account to the Registrar not later than 2 (Two) Working Days prior to the Issue Closing Date to enable the credit of their Rights Entitlements in their demat accounts at least 1 (One) day before the Issue Closing Date. The Rights Entitlements of the Physical Shareholders who do not furnish the details of their demat account to the Registrar not later than 2 (Two) Working Days prior to the Issue Closing Date, shall lapse. Further, pursuant to a press release dated December 03, 2018, issued by the SEBI, with effect from April 01, 2019, a transfer of listed Equity Shares cannot be processed unless the Equity Shares are held in dematerialized form (except in case of transmission or transposition of Equity Shares). For further details, please refer to the section titled '*Terms of the Issue*' on page 98 of this Draft Letter of Offer.

**53. *Non-receipt of complete Call Money(ies) may have an impact of a consequential shortfall in Net Proceeds.***

The Calls shall be deemed to have been made at the time when the resolution authorizing such calls is passed at the meeting of our Board of Directors. The Calls may be revoked or postponed at the discretion of our Board of Directors, from time to time. Pursuant to the provisions of the Articles of Association, the Investors would be given at least 30 (Thirty) days' notice for the payment of the Calls. Our Board of Directors may, from time to time at its discretion, extend the time fixed for the payments of the Calls. Our Company, at its sole discretion, may send reminders for the calls as it deems fit, and if it does not receive the Call Money(ies) as per the timelines stipulated, it would forfeit the Application Money. Non-receipt of complete Call Money(ies) and a consequential forfeiture of the Application Money may lead to a shortfall in the Net Proceeds, which may have to be met out of internal accruals and may impact the business and capital expenditure plans. For further details, please refer to the section titled '*Objects of the Issue*' on page 38 of this Draft Letter of Offer.

**54. *Our ability to pay dividends in the future will depend on our future earnings, cash flows, working capital requirements, capital expenditures and financial condition. Investors of Rights Shares are only entitled to dividend in proportion to the amount paid up and the voting rights (exercisable on a poll by investors) shall also be proportional to such investor's share of the paid-up Equity Share capital of our Company.***

The amount of our future dividend payments, if any, will depend on various factors such as our future earnings, cash flows, financial condition, working capital requirements, capital expenditures and in accordance with applicable laws. We may decide to retain all our earnings to finance the development and expansion of our business and, therefore, may not declare dividends on the Equity Shares. Additionally, in the future, we may be restricted by the terms of our financing agreements in making dividend payments unless otherwise agreed with our lenders. The amounts paid as dividends in the past are not necessarily indicative of our Company's dividend policy or the dividend amounts, if any, in the future. There is no guarantee that any dividends will be declared or paid or that the amount thereof will not be decreased in the future.

Further, with respect to the present Issue, investors are only entitled to dividend in proportion to the amount paid-up and the voting rights (exercisable on a poll by investors) shall also be proportional to such investor's share of the paid-up Equity Share capital of our Company.

**55. *You may be subject to Indian taxes arising out of capital gains on the sale of the Rights Shares and Rights Entitlement.***

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares of an Indian company are generally taxable in India. 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 may be partially or completely exempt from taxation in India in cases where such exemption is provided under a treaty between India and the country of which the seller is a resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on gains made upon the sale of the Equity Shares

56. ***You may not receive the Equity Shares that you subscribe in the Issue until 15 (Fifteen) days after the date on which this Issue closes, which will subject you to market risk.***

The Equity Shares that you subscribe in the Issue may not be credited to your demat account with the depository participants until approximately 15 (Fifteen) days from the Issue Closing Date. You can start trading such Equity Shares only after receipt of the listing and trading approval in respect thereof. There can be no assurance that the Equity Shares allocated to you will be credited to your demat account, or that trading in the Equity Shares will commence within the specified time, subjecting you to market risk for such period.

57. ***Investment in Rights Shares is exposed to certain risks. From the Call Record Date for each Call prior to the final Call, the trading of the Rights Shares would be suspended for an applicable period under the applicable law. Furthermore, the Rights Shares will not be traded with effect from the Call Record Date for the final call fixed for the determination of the Investors liable to pay Call Monies, as determined by our Board of Directors or Rights Issue Committee at its sole discretion, from time to time. The holders of the Rights Shares will not be able to trade in these securities till they are credited to the holders' account as fully paid-up. Furthermore, until the subsistence of Rights Shares, we may not be able to undertake certain forms of equity capital raising.***

The Issue Price is ₹ [●].00/- (Rupees [●] Only) per Rights Equity Share. Investors will have to pay ₹ [●].00/- (Rupees [●] Only) per Rights Shares which constitutes [●].00% ([●] Percent) of the Issue Price on Application and the balance ₹ [●].00/- (Rupees [●] Only) per Rights Shares which constitutes [●].00% ([●] Percent) of the Issue Price on one or more subsequent Call(s), as determined by our Company's Board of Directors at its sole discretion, from time to time. The Rights Shares offered under this Issue will be listed under a separate ISIN. An active market for trading may not develop for the Rights Shares. This may affect the liquidity of the Rights Shares and restrict your ability to sell them.

If our Company does not receive the Call Money from the Rights Shareholders (including the Promoters and members of Promoter Group of our Company) as per the timelines stipulated in the Call notice, unless extended by our Board, the defaulting Rights Shareholders (including the Promoters and members of Promoter Group of our Company) will be liable to pay interest as may be fixed by our Board unless waived or our Company may forfeit the Application Money and any Call Money received for previous Calls made, in accordance with the Companies Act, 2013 and our Company's Articles of Association. For further details, please refer to the section titled '*Terms of the Issue*' on page 98 of this Draft Letter of Offer. Rights Shareholders are only entitled to dividend in proportion to the amount paid-up and the voting rights (exercisable on a poll) by investors shall also be proportional to such investor's share of the paid-up Equity Share capital of our Company. If certain investors do not pay the full amount, we may not be able to raise the amount proposed under this Issue.

The ISIN representing partly paid-up Rights Shares will be terminated after the Call Record Date for the final Call. On payment of the final Call in respect of the partly paid-up Rights Shares, such partly paid-up Rights Shares would be converted into fully paid-up Equity Shares and shall be listed and identified under the existing ISIN 'INE685Z01033' for our fully paid-up Equity Shares. Our Company would fix a Call Record Date for the purpose of determining the list of allottees to whom the notice for the final Call would be sent. From the Call Record Date for each Call prior to the final Call, the trading of the Rights Shares would be suspended for an applicable period under the applicable law. Further, with effect from the Call Record Date, trading in the partly paid-up Equity Shares for which final Call have been made, would be suspended prior to the Call Record Date, for such period as may be applicable under the rules and regulations. Furthermore, the holders of the partly paid-up Rights Shares will not be able to trade in these shares until they are credited to the holders' account as fully paid-up Rights Shares. Similarly, for an applicable period, from the Call Record Date for each Call, the trading of the Rights Shares would be suspended under the applicable law.

Further, there is little history of trading of partly paid-up shares in India and therefore there could be less liquidity in this segment, which may cause the price of the Rights Shares to fall and may limit ability of Investors to sell the Rights Shares. There may also be a risk of the Rights Shares not forming part of the index.

Further, until the subsistence of Rights Shares, we cannot undertake further rights issues, further public offers, or bonus issues. In terms of Regulations 62 and 104 of the SEBI (ICDR) Regulations, an issuer making a rights issue or further public offer is required to ensure that all its existing partly paid-up equity shares have either been fully paid-up or have been forfeited. Additionally, a bonus issue will not be permitted under law till the subsistence of partly paid-up equity shares in terms of Regulation 293 of the SEBI (ICDR) Regulations.

58. ***Applicants to this Issue are not allowed to withdraw their Applications after the Issue Closing Date.***

In terms of the SEBI (ICDR) Regulations, Applicants in this Issue are not allowed to withdraw their Applications after the Issue Closing Date. The Allotment in this Issue and the credit of such Equity Shares to the Applicant's demat account with its depository participant shall be completed within such period as prescribed under the applicable laws. There is no assurance, however, that material adverse changes in the international or national monetary, financial, political, or economic conditions or other events in the nature of force majeure, material adverse changes in our business, results of operation or financial condition, or other events affecting the Applicant's decision to invest in the Rights Shares, would not arise between the Issue Closing Date and the date of Allotment in this Issue. Occurrence of any such events after the Issue Closing Date could also impact the market price of our Equity Shares.

The Applicants shall not have the right to withdraw their Applications in the event of any such occurrence. We cannot assure you that the market price of the Equity Shares will not decline below the Issue Price. To the extent the market price for the Equity Shares declines below the Issue Price after the Issue Closing Date, the shareholder will be required to purchase Rights Shares at a price that will be higher than the actual market price for the Equity Shares at that time. Should that occur, the shareholder will suffer an immediate unrealized loss as a result. We may complete the Allotment even if such events may limit the Applicants' ability to sell our Equity Shares after this Issue or cause the trading price of our Equity Shares to decline.



59. ***Holders of Equity Shares could be restricted in their ability to exercise pre-emptive rights under Indian law and could thereby suffer future dilution of their ownership position.***

Under the Companies Act, any Company incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of equity shares to maintain their existing ownership percentages prior to the issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the equity shares voted on such resolution, unless our Company has obtained government approval to issue without such rights. However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without us filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights unless we make such a filing. We may elect not to file a registration statement in relation to pre-emptive rights otherwise available by Indian law to you. To the extent that you are unable to exercise pre-emptive rights granted in respect of the Equity Shares, your proportional interests in us would be reduced.

60. ***There is no guarantee that our Equity Shares will be listed in a timely manner or at all which may adversely affect the trading price of our Equity Shares.***

In accordance with applicable laws and regulations and the requirements of the BSE Limited, in principle and final approvals for listing and trading of the Rights Shares issued pursuant to this Issue will not be applied for or granted until after the Rights Shares have been issued and allotted. Approval for listing and trading will require all the relevant documents authorising the issuance of Rights Shares to be submitted. For further information on issue procedure, please refer to the section titled '**Terms of the Issue**' beginning on page 98 of this Draft Letter of Offer.

61. ***No market for the Right Entitlements may develop and the price of the Right Entitlements may be volatile.***

No assurance can be given that an active trading market for the Rights Entitlements will develop on the BSE Limited during the Renunciation Period or that there will be sufficient liquidity in Rights Entitlements trading during this period. The trading price of the Rights Entitlements will not only depend on supply and demand for the Rights Entitlements, which may be affected by factors unrelated to the trading in the Equity Shares, but also on the quoted price of the Equity Shares, amongst others. Factors affecting the volatility of the price of the Equity Shares, as described herein, may magnify the volatility of the trading price of the Rights Entitlements, and a decline in the price of the Equity Shares will have an adverse impact on the trading price of the Rights Entitlements. Since the trading of the Rights Shares will be on a separate segment compared to the Equity Shares on the floor of the BSE Limited, the trading of Rights Shares may not track the trading of Equity Shares. The trading price of the Rights Entitlements may be subject to greater price fluctuations than that of the Equity Shares.

We will not distribute the Issue Materials to overseas Shareholders who have not provided an address in India for service of documents. We will dispatch the Issue Materials to the shareholders who have provided an address in India for service of documents. The Issue Materials will not be distributed to addresses outside India on account of restrictions that apply to circulation of such materials in overseas jurisdictions. However, the Companies Act requires companies to serve documents at any address, which may be provided by the members as well as through e-mail. Presently, there is lack of clarity under the Companies Act and the rules made thereunder with respect to distribution of Issue Materials in overseas jurisdiction where such distribution may be prohibited under the applicable laws of such jurisdictions. While we have requested all the shareholders to provide an address in India for the purposes of distribution of Issue Materials, we cannot assure you that the regulator or authorities would not adopt a different view with respect to compliance with the Companies Act and may subject us to fines or penalties.

62. ***Fluctuation in the exchange rate between the Indian Rupee and foreign currencies may adversely affect the value of our Equity Shares, independent of our operating results.***

On listing, our Equity Shares will be quoted in Rupees on the BSE Limited. Any dividends in respect of our Equity Shares will also be paid in Rupees and subsequently converted into the relevant foreign currency for repatriation, if required. Any adverse movement in currency exchange rates during the time that it takes to undertake such conversion may reduce the net dividend to foreign investors. In addition, any adverse movement in currency exchange rates during a delay in repatriating outside India the proceeds from a sale of Equity Shares, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares may reduce the proceeds received by equity shareholders. For example, the exchange rate between the Rupee and the U.S. dollar has fluctuated substantially in recent years and may continue to fluctuate substantially in the future, which may adversely affect the trading price of our Equity Shares and returns on our Equity Shares, independent of our operating results.

63. ***Rights of shareholders under Indian laws may be more limited than under the laws of other jurisdictions.***

Indian legal principles related to corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a Company in another jurisdiction. Shareholders' rights including in relation to class actions, under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as shareholder in an Indian Company than as shareholder of a corporation in another jurisdiction.

64. ***SEBI operates an index-based market-wide circuit breaker. Any operation of a circuit breaker may adversely affect a shareholder's ability to sell, or the price at which it can sell, our Equity Shares at a particular point in time.***

We are subject to an index-based market-wide circuit breaker generally imposed by SEBI on Indian BSE Limited. This may be triggered by an extremely high degree of volatility in the market activity (among other things). Due to the existence of this circuit breaker, there can be no assurance that shareholders will be able to sell our Equity Shares at their preferred price or at all at any particular point in time.

**65. *Investors in the Rights Shares may not be able to enforce a judgment of a foreign court against us or our management, except by way of a suit in India on such judgment.***

We are a limited liability company incorporated under the laws of India and majority of our directors and all executive officers are residents of India. It may be difficult for the investors to affect service of process upon us or such persons outside India or to enforce judgments obtained in courts outside India.

India has reciprocal recognition and enforcement of judgments in civil and commercial matters with only a limited number of jurisdictions, which includes the United Kingdom, Singapore, Hong Kong, and the United Arab Emirates. In order to be enforceable, a judgment from a jurisdiction with reciprocity must meet certain requirements of the Code of Civil Procedure, 1908. Judgments or decrees from jurisdictions, which do not have reciprocal recognition with India, cannot be executed in India. Therefore, a final judgment for the payment of money rendered by any court in a non-reciprocating territory for civil liability, whether predicated solely upon the general laws of the non-reciprocating territory, would not be enforceable in India. Even if an investor obtained a judgment in such a jurisdiction against us or our officers or directors, it may be required to institute a new proceeding in India and obtain a decree from an Indian court. 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 a non-reciprocating territory within 3 (Three) years of obtaining such final judgment in the same manner as any other suit filed to enforce a civil liability in India. If, and to the extent that, an Indian court were of the opinion that fairness and good faith so required, it would, under current practice, give binding effect to the final judgment that had been rendered in the non-reciprocating territory, unless such a judgment contravenes principles of public policy in India. It is unlikely that an Indian court would award damages on the same basis or to the same extent as was awarded in a final judgment rendered by a court in another jurisdiction if the Indian court believed that the amount of damages awarded was excessive or inconsistent with Indian practice. In addition, any person seeking to enforce a foreign judgment in India is required to obtain prior approval of the RBI to repatriate any amount recovered pursuant to the execution of such a judgment.

## **EXTERNAL RISK FACTORS**

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

Global economic and political factors that are beyond our control, influence forecasts and directly affect performance. These factors include interest rates, rates of economic growth, fiscal and monetary policies of governments, inflation, deflation, foreign exchange fluctuations, consumer credit availability, consumer debt levels, unemployment trends, terrorist threats and activities, worldwide military and domestic disturbances and conflicts, and other matters that influence consumer confidence, spending and tourism. Increasing volatility in financial markets may cause these factors to change with a greater degree of frequency and magnitude. Any downturn in the macroeconomic environment in India could adversely affect our business, financial condition, results of operations and cash flows.

**67. *Any downgrading of India's debt rating by an international rating agency could have a negative impact on our business.***

Any adverse revision to India's credit rating for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our financial performance and our ability to obtain financing to fund our growth on favourable terms or at all.

**68. *The occurrence of natural calamities or man-made disasters could have a negative effect on the Indian economy and cause our business to suffer.***

India has experienced natural calamities such as earthquakes, tsunami, floods, drought, fires, explosions, tornadoes, pandemic disease, and man-made disasters including acts of terrorism and military actions in the past few years. The extent and severity of these natural and man-made disasters determines their effect on the Indian economy. The erratic progress of a monsoon would also adversely affect sowing operations for certain crops. Further prolonged spells of below normal rainfall or other natural calamities in the future could have a negative effect on the Indian economy, adversely affecting our business and the price of our Equity Shares.

**69. *A slowdown in economic growth in India could cause our business to suffer.***

We are incorporated in India, and all our assets and employees are located in India. As a result, we are highly dependent on prevailing economic conditions in India and our results of operations are significantly affected by factors influencing the Indian economy. A slowdown in the Indian economy could adversely affect our business, including our ability to grow our assets, the quality of our assets, and our ability to implement our strategy.

Factors that may adversely affect the Indian economy, and hence our results of operations, may include:

- a. Any increase in Indian interest rates or inflation.
- b. Any scarcity of credit or other financing in India.
- c. Prevailing income conditions among Indian consumers and Indian corporations.
- d. Changes in India's tax, trade, fiscal or monetary policies.
- e. Political instability, terrorism, or military conflict in India or in countries in the region or globally, including in
- f. India's various neighbouring countries.
- g. Prevailing regional or global economic conditions; and
- h. Other significant regulatory or economic developments in or affecting India.

Any slowdown in the Indian economy or in the growth of the sectors we participate in or future volatility in global commodity prices could adversely affect our borrowers and contractual counterparties. This in turn could adversely affect our business and financial performance and the price of our Equity Shares.

**70. *Financial instability in both Indian and international financial markets could adversely affect our results of operations and financial condition.***

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 United States 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 an adverse effect on the securities of companies in other countries. A loss in investor confidence in the financial systems of other emerging markets may cause increased volatility in the Indian economy in general. Any global financial instability, including further deterioration of credit conditions in the U.S. market, could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our results of operations and financial condition.

The Indian economy is also influenced by economic and market conditions in other countries. This includes, but is not limited to, the conditions in the United States, Europe, and certain economies in Asia. Financial turmoil in Asia and elsewhere in the world in recent years has affected the Indian economy. Any worldwide financial instability may cause increased volatility in the Indian financial markets and directly or indirectly, adversely affect the Indian economy and financial sector and its business.

Although economic conditions vary across markets, loss of investor confidence in one emerging economy may cause increased volatility across other economies, including India. Financial instability in other parts of the world could have a global influence and thereby impact the Indian economy. Financial disruptions in the future could adversely affect our business, prospects, financial condition, and results of operations. The global credit and equity markets have experienced substantial dislocations, liquidity disruptions and market corrections.

There are concerns that a tightening of monetary policy in emerging markets and some developed markets will lead to a moderation in global growth. In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, have implemented a number of policy measures designed to add stability to the financial markets. However, the overall long-term impact of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have had the intended stabilizing effects. Any significant financial disruption in the future could have an adverse effect on our cost of funding, loan portfolio, business, future financial performance, and the trading price of the Equity Shares.

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

As an Indian Company, we are subject to exchange controls that regulate borrowing in foreign currencies, including those specified under FEMA. Such regulatory restrictions limit our financing sources for our projects under development and hence could constrain our ability to obtain financing on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that the required approvals will be granted to us without onerous conditions, or at all. Limitations on foreign debt may adversely affect our business growth, results of operations and financial condition.

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

**72. *Changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws, may adversely affect our business, prospects, and results of operations.***

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes may adversely affect our business, results of operations and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy. For example, the Government of India implemented a comprehensive national goods and services tax (hereinafter referred to as 'GST') regime with effect from July 1, 2017, that combined multiple taxes and levies by the Central and State Governments into a unified tax structure. Also, any change in state law may increase difficulty in opening and operating franchise in various states. It may cause adverse effect on operating current or future Dava Discount outlets.

Our business and financial performance could be adversely affected by any unexpected or onerous requirements or regulations resulting from the introduction of GST or any changes in laws or interpretation of existing laws, or the promulgation of new laws, rules and regulations relating to GST, as it is implemented. The Government has enacted the GAAR which have come into effect from April 1, 2017.

The Government of India has announced the union budget for Fiscal 2021 and the Ministry of Finance has notified the Finance Act, 2020 (hereinafter referred to as '**Finance Act**') on March 27, 2020, pursuant to assent received from the President, and the Finance Act will come into operation with effect from July 1, 2020. There is no certainty on the impact that the Finance Act may have on our business and operations or on the industry in which we operate. We cannot predict whether any amendments made pursuant to the Finance Act would have a material adverse

effect on our business, financial condition, and results of operations. Unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment and stamp duty laws governing our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals. For instance, the Supreme Court of India has, in a decision clarified the components of basic wages, which need to be considered by companies while making provident fund payments. Our Company has not made relevant provisions for the same, as on date. Any such decisions in future or any further changes in interpretation of laws may have an impact on our results of operations. Further, a draft of the Personal Data Protection Bill, 2019 (hereinafter referred to as '**Bill**') has been introduced before the Lok Sabha on December 11, 2019, which is currently being referred to a joint parliamentary committee by the Parliament. 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 impact the viability of our current businesses or restrict our ability to grow our businesses in the future.

## SECTION IV – INTRODUCTION

### THE ISSUE

This Issue has been authorized by way of a resolution passed by our Board of Directors on Friday, July 28, 2023, in pursuance of Section 62 of the Companies Act, 2013.

The following is a summary of the Issue, which should be read in conjunction with, and is qualified in its entirety by, more detailed information in *'Terms of the Issue'* on page 98 of this Draft Letter of Offer.

Equity Shares outstanding prior to the Issue	[•] Equity Shares;		
Right Shares offered in the Issue	Up to [•] Right Shares; *		
Equity Shares outstanding after the Issue (assuming full subscription for and allotment of the Rights Entitlement)	[•] Equity Shares;		
Rights Entitlement	[•] Equity Shares for every [•] Equity Shares held on the Record Date;		
Record Date	[•];		
Fractional Entitlement	For Equity Shares being offered on a rights basis under the Issue, if the shareholding of any of the Eligible Shareholders is less than [•] ([•]) Equity Shares or is not in multiples of [•] ([•]), the fractional entitlement of such Eligible Shareholders shall be ignored for computation of the Rights Entitlement. However, Eligible Shareholders whose fractional entitlements are being ignored earlier will be given preference in the Allotment of one additional Rights Share each, if such Eligible Shareholders have applied for additional Rights Shares over and above their Rights Entitlement, if any.;		
Face Value per Equity Share	₹1.00/- (Rupee One Only) each;		
Issue Price per Equity Share	₹[•]/- (Rupees [•] Only) including a premium of ₹[•]/- (Rupees [•] Only) per Rights Equity Share;		
Issue Size	Up to ₹ [•]/- (Rupees [•] Only), assuming full subscription and receipt of all Call Monies with respect to Rights Shares. On Application, Investors will have to pay ₹[•] per Rights Share, which constitutes [•]% of the Issue Price and the balance ₹[•] per Rights Share which constitutes [•]% of the Issue Price, will have to be paid, on one additional call as may be decided by the Board/ Committee of the Board from time to time		
Terms of the Issue	Please refer to the section titled <i>'Terms of the Issue'</i> beginning on page 98 of this Draft Letter of Offer;		
Use of Issue Proceeds	Please refer to the section titled <i>'Objects of the Issue'</i> beginning on page 38 of this Draft Letter of Offer;		
Security Code/ Scrip Details	ISIN	INE685Z01033	
	BSE Scrip ID	RAJNISH	
	BSE Scrip Code	541601	
	ISIN for Rights Entitlements	[•]	

*\*For Right Shares being offered on a rights basis under this Issue, if the shareholding of any of the Eligible Shareholders is less than [•] Equity Shares or is not in multiples of [•], the fractional entitlement of such Eligible Shareholders shall be ignored for computation of the Rights Entitlements. However, Eligible Shareholders whose fractional entitlements are being ignored earlier will be given preference in the Allotment of 1 (One) additional Rights Equity Share each, if such Eligible Shareholders have applied for additional Rights Shares over and above their Rights Entitlements;*

### TERMS OF PAYMENT

Amount payable per Rights Shares	Face Value	Premium	Total
On Application	₹[•]	₹[•]	₹[•]*
On One or more subsequent Call(s) as determined by our Board/ Committee at its sole discretion, from time to time*	₹[•]	₹[•]	₹[•]**
<b>Total</b>	<b>₹1.00/-</b>	<b>₹[•]</b>	<b>₹[•]</b>

\*Constitutes [•] % of the Issue Price.

\*\*Constitutes [•] % of the Issue Price.

### ISSUE SCHEDULE

Issue Opening Date	[•]
Last date for On Market Renunciation of Rights	[•]
Issue Closing Date	[•]

## GENERAL INFORMATION

Our Company was originally incorporated as 'Rajnish Hot Deals Private Limited' on June 13, 2015 with the Registrar of Companies, Maharashtra, Mumbai as a private limited Company under the provisions of the Companies Act, 2013. Subsequently our Company was converted into public limited Company pursuant to shareholders resolution passed at the Extra-Ordinary General Meeting held on January 17, 2018 and the name of our Company was changed to Rajnish Hot Deals Limited. A fresh certificate of incorporation consequent upon conversion to public limited Company was issued by the Registrar of Companies, Mumbai on February 01, 2018.

Pursuant to a resolution of our Shareholders passed on February 03, 2018, the name of our Company was changed to Rajnish Wellness Limited from Rajnish Hot Deals Limited and a fresh certificate of incorporation consequent upon change of name was issued by the Registrar of Companies, Mumbai on February 09, 2018. Our Company got listed on SME platform of BSE Limited effective from July 09, 2018, bearing BSE Symbol and BSE Scrip ID 'RAJNISH' and BSE Scrip ID '541601'.

### REGISTERED OFFICE

<b>Company</b>	Rajnish Wellness Limited
<b>Registered Office Address</b>	Plot No. 24, ABCD, Govt. Industrial Estate, Charkop, Kandivali (West), Mumbai, Maharashtra, India – 400 067
<b>Corporate Office Address</b>	Plot No. 24, ABCD, Govt. Industrial Estate, Charkop, Kandivali (West), Mumbai, Maharashtra, India – 400 067
<b>Contact Details</b>	+ 91-22-23065555; / 9870659809
<b>Email-ID</b>	<a href="mailto:info@rajnishwellness.com">info@rajnishwellness.com</a>
<b>Website</b>	<a href="http://www.rajnishwellness.com">www.rajnishwellness.com</a>
<b>Corporate Identification Number</b>	L52100MH2015PLC265526
<b>Registration Number</b>	265526

### ADDRESS OF THE REGISTRAR OF COMPANIES

**Registrar of Companies, Mumbai, Maharashtra**  
100, Everest, Marine Drive, Mumbai- 400002, Maharashtra.

### BOARD OF DIRECTORS

Name	Designation	DIN	Address
Rajnish Kumar Surendra Prasad Singh	Managing and Executive Director and Chairperson	07192704	B Wing 6th Floor 602, Shreenath Nagar Building No 1 Nalasopara, Opp. Yashwant Gaurav, Karmale Palghar Sopara, Maharashtra – 401203
Swati Jain	Non-Executive- Non- Independent Director	09436199	3-a 118/8, Nehru Nagar, Near Nasirpur Phatak, Ghaziabad, Uttar Pradesh - 201001
Saloni Mehra	Non-Executive – Non- Independent Director	10062907	House No 49, Katra Moti Ram, I/S Hathigate, VTC-Amritsar G.P.O Punjab – 143001
Sanjjari Sanju Kashyap	Non-Executive –Independent Director	03514536	1101, Vasant Marvel, Thakur Complex, Kandivali (East), Mumbai, Maharashtra 400101.
Monam Kapoor	Non-Executive –Independent Director	09278005	126, New Gandhi Nagar, Ghaziabad, Uttar Pradesh - 201001
Preeti Garg	Non-Executive –Independent Director	09662113	3rd Floor F-27, Nehru Nagar, Ghaziabad, Uttar Pradesh – 201001
Abhinandan Ashok Kumar Paliwal	Non-Executive – Independent Director	08064706	Sai Mauli Apartment, 4th Floor Flat No. 401, Phulpada Road, Thane, Virar (East), Vasai Virar Municipal Corporation, Thane, Maharashtra – 401303, India

For further details of our Board of Directors, please refer to the section titled '**Our Management**' beginning on page 57 of this Draft Letter of Offer.



COMPANY SECRETARY AND COMPLIANCE OFFICER	CHIEF FINANCIAL OFFICER
<b>Ms. Anupama Kashyap</b> <b>Address:</b> Plot No. 24, ABCD, Govt Industrial Estate, Charkop Kandivali (West), Mumbai-400 067, India <b>Contact Details:</b> + 91-22-23065555 / 9870659809 <b>Email-ID:</b> <a href="mailto:info@rajnishwellness.com">info@rajnishwellness.com</a>	<b>Mr. Mihir Shrenik Patwa</b> <b>Address:</b> Plot No. 24, ABCD, Govt. Industrial Estate, Charkop, Kandivali (West), Mumbai, Maharashtra, India – 400 067 <b>Contact Details:</b> + 91-22-23065555 / 9870659809 <b>Email-ID:</b> <a href="mailto:info@rajnishwellness.com">info@rajnishwellness.com</a>
STATUTORY AUDITORS	REGISTRAR TO THE COMPANY AND ISSUE
<b>M/s. Rishi Sekhri &amp; Associates.</b> <b>Address:</b> Ground Floor, Bandra Arcade Building, Opp. Railway Station, Bandra (West), Mumbai – 400050 <b>Firm Registration Number:</b> 128216W <b>Contact Person:</b> Mr. Rishi Sekhri <b>Membership Number:</b> 126656 <b>Contact Details:</b> 9820501848 <b>E-mail ID:</b> <a href="mailto:rishisekhri@gmail.com">rishisekhri@gmail.com</a>	<b>Bigshare Services Private Limited</b> <b>Address:</b> E/2, Ansa Industrial Estate, Saki Vihar Road, Saki Naka, Andheri East, Mumbai – 400072 <b>Contact Details:</b> + 91-022 – 62638273 <b>Website:</b> <a href="http://www.bigshareonline.com">www.bigshareonline.com</a> <b>E-mail ID:</b> <a href="mailto:ipo@bigshareonline.com">ipo@bigshareonline.com</a> <b>Investor grievance e-mail:</b> <a href="mailto:investor@bigshareonline.com">investor@bigshareonline.com</a> <b>Contact Person:</b> Mr. Jibu John <b>SEBI Registration Number:</b> INR000001385
BANKERS TO OUR COMPANY	BANKER TO THE ISSUE AND REFUND BANKER
<b>State Bank of India</b> <b>Address:</b> United India Life Insurance, fort, Mumbai- 400023. <b>Contact Details:</b> 022-226631989/022-6201429372 <b>Website:</b> <a href="https://www.onlinesbi.sbi/">https://www.onlinesbi.sbi/</a>	<b>Name:</b> [●] <b>Address:</b> <b>Contact Person:</b> <b>E-mail ID:</b> [●] <b>Contact Details:</b> [●] <b>Website:</b> [●] <b>SEBI Registration Number:</b> [●]

## INVESTOR GRIEVANCES

Investors may contact the Registrar or our Company Secretary and Compliance Officer for any pre-Issue or post-Issue related matter. All grievances relating to the ASBA process may be addressed to the Registrar, with a copy to the SCSBs, giving full details such as name, address of the Applicant, contact number(s), E-mail address of the sole/ first holder, folio number or demat account number, number of Issue Shares applied for, amount blocked, ASBA Account number and the Designated Branch of the SCSBs where the Application Form or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip. For details on the ASBA process, please refer to the section titled ‘Terms of the Issue’ beginning on page 98 of this Draft Letter of Offer.

## EXPERT TO THE ISSUE

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

- Our Company has received a written consent dated August 09, 2023, from our Statutory Auditor, M/s. Rishi Sekhri & Associates, Chartered Accountants, to include their name as required under Section 26(5) of the Companies Act in this Letter of Offer and as an ‘expert’, as defined under Section 2(38) of the Companies Act, to the extent and in their capacity as statutory auditor of our Company and in respect of his reports on the Audited Consolidated Financial Statements, Unaudited Consolidated Financial Statements, and the statement of special tax benefits.

## SELF-CERTIFIED SYNDICATE BANKS

The list of banks that have been notified by SEBI to act as the SCSBs for the ASBA process is provided on the website of SEBI at <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> and updated from time to time. For a list of branches of the SCSBs named by the respective SCSBs to receive the ASBA Forms from the Designated Intermediaries, please refer to the above-mentioned link.

## ISSUE SCHEDULE

The subscription will open upon the commencement of the banking hours and will close upon the close of banking hours on the dates mentioned below:

<b>Last Date for credit of Rights Entitlements</b>	[●]
<b>Issue Opening Date</b>	[●]
<b>Last Date for On Market Renunciation of Rights Entitlements#</b>	[●]
<b>Issue Closing Date*</b>	[●]
<b>Finalization of Basis of Allotment (on or about)</b>	[●]
<b>Date of Allotment (on or about)</b>	[●]
<b>Date of credit (on or about)</b>	[●]
<b>Date of listing (on or about)</b>	[●]

**Note:**

#Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date;

*\*Our Board will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 (Thirty) days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.*

*The above schedule is indicative and does not constitute any obligation on our Company.*

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than not later than 2 (Two) Working Days prior to the Issue Closing Date, i.e., [●] to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least 1 (One) day before the Issue Closing Date, i.e., [●].

Investors are advised to ensure that the Applications are submitted on or before the Issue Closing Date. Our Company or the Registrar will not be liable for any loss on account of non-submission of Applications on or before the Issue Closing Date. Further, it is also encouraged that the applications are submitted well in advance before Issue Closing Date, due to prevailing COVID-19 related conditions. For details on submitting Application Forms, please refer to the section titled '**Terms of the Issue**' beginning on page 98 of this Draft Letter of Offer. Please note that if no Application is made by the Eligible Equity Shareholders and Eligible Employees of Rights Entitlements on or before Issue Closing Date, such Rights Entitlements shall get lapsed and shall be extinguished after the Issue Closing Date. No Equity Shares for such lapsed Rights Entitlements will be credited, even if such Rights Entitlements were purchased from market and purchaser will lose the amount paid to acquire the Rights Entitlements. Persons who are credited the Rights Entitlements are required to make an application to apply for Rights Shares offered under Rights Issue for subscribing to the Rights Shares offered under Issue. The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders and Eligible Employees on the website of the Registrar at [www.bigshareonline.com](http://www.bigshareonline.com) after keying in their respective details along with other security control measures implemented there at. For further details, please refer to the paragraph titled see 'Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders' under the section titled '**Terms of the Issue**' beginning on page 98 of this Draft Letter of Offer.

## **REGISTERED BROKERS**

In accordance with SEBI circulars bearing reference numbers CIR/CFD/14/2012 dated October 04, 2012 and CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, Applicants can submit Application Forms with the Registered Brokers at the Broker Centers, CDPs at Designated CDP Locations or the RTAs at the Designated RTA Locations, respective lists of which, including details such as address and telephone numbers, is available at the websites of the BSE accessible at [www.bseindia.com](http://www.bseindia.com) respectively, as updated from time to time.

## **REGISTRAR AND SHARE TRANSFER AGENTS**

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, are provided on the websites of BSE Limited at <https://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=6>, 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, are provided on the websites of BSE Limited.

## **CREDIT RATING**

As this proposed Issue is of Rights Shares, the appointment of a credit rating agency is not required.

## **DEBENTURE TRUSTEE**

As this proposed Issue is of Rights Shares, the appointment of debenture trustee is not required.

## **MONITORING AGENCY**

Since the Issue size does not exceed ₹100,00,00,000 (Rupees One Hundred Crores), there is no requirement to appoint a monitoring agency in relation to the Issue under SEBI (ICDR) Regulation.

## **APPRAISING ENTITY**

None of the purposes for which the Net Proceeds are proposed to be utilized have been financially appraised by any banks or financial institution or any other independent agency.

## **UNDERWRITING**

This Issue is not underwritten and our Company has not entered into any underwriting arrangement.

## FILING

This Draft Letter of Offer is being filed with the BSE Limited as per the provisions of the SEBI (ICDR) Regulations. Further, our Company will simultaneously submit this Draft Letter of Offer to SEBI through the SEBI intermediary portal at <https://siportal.sebi.gov.in> in accordance SEBI circular bearing reference number 'SEBI/HO/CFD/DIL1/CIR/P/2018/011' dated January 19, 2018, issued by the SEBI. Further, in light of the SEBI notification dated March 27, 2020, our Company will submit a copy of this Letter of Offer to the e-mail address at [cfddil@sebi.gov.in](mailto:cfddil@sebi.gov.in).

## MINIMUM SUBSCRIPTION

The issue is subject to being in receipt of 90.00% (Ninety percent) of the Equity Shares being offered under the issue, on an aggregate basis. If our company does not receive the minimum subscription of 90.00% (Ninety percent), our Company shall refund the entire subscription amount, not later than 4 (four) days from the closure of this issue. In the event there is a delay in unblocking of ASBA beyond such period as prescribed by applicable laws, our company shall pay interest for the delayed period at rates prescribed under applicable laws.

## CAPITAL STRUCTURE

The capital structure of our Company and related information as on date of this Draft Letter of Offer, prior to and after the proposed Issue, is set forth below:

Particulars	Aggregate Nominal Value	Aggregate Value at Issue Price
<b>Authorized Equity Share capital</b>		
100,00,00,000 (One Hundred Crores) Equity Shares*	₹100,00,00,000.00/-	-
<b>Issued, subscribed and paid-up Equity Share capital before this Issue</b>		
76,84,74,660 (Two Crore Fifty-Six Lakh Fifteen Thousand Eight Hundred and Twenty-Two) Equity Shares	₹76,84,74,660.00/-	-
<b>Present Issue in terms of this Draft Letter of Offer<sup>(a) (b)</sup></b>		
[●] ([●]) Issue of Equity Shares, each at a premium of ₹ [●]/- (Rupees [●] Only) per Equity Share, at an Issue Price of ₹ [●]/- (Rupees [●] Only) per Equity Share	₹ [●]/-	₹ [●]/-
<b>Issued, subscribed and paid-up Equity Share capital after the Issue<sup>(c)</sup></b>		
[●] ([●]) Equity Shares	₹ [●]/-	
<b>Subscribed and paid-up Equity Share capital</b>		
[●] ([●]) fully paid-up Equity Shares	₹ [●]/-	
[●] ([●]) partly paid-up Equity Shares	₹ [●]/-	
<b>Securities premium account</b>		
Before the Issue <sup>(d)</sup>		Nil
After the Issue		₹ [●]/-
After all Call made in respect of Rights Shares <sup>(e)</sup>		₹ [●]/-

Notes:

- The present Issue has been authorized by our Board of Directors pursuant to the resolution passed in their meeting conducted on Friday, July 28, 2023;
- On Application, Investors will have to pay ₹ [●] per Rights Share which constitutes [●]% of the Issue Price and the balance ₹ [●] per Rights Share which constitutes [●]% of the Issue Price, will have to be paid, on one additional call as may be decided by the Board/ Committee of the Board from time to time.
- Assuming full subscription and receipt of all call monies with respect to Rights Shares;
- As on June 30, 2023;
- Subject to finalization of Basis of Allotment, Allotment and deduction of Issue expenses;
- Assuming full payment of all Call Monies by holders of Rights Shares.

## NOTES TO THE CAPITAL STRUCTURE

- The Equity Shares of our Company are fully paid-up and there are no partly paid-up Equity Shares as on the date of this Draft Letter of Offer.
- At any given time, there shall be only one denomination of the Equity Shares. Our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.
- As on the date of this Draft Letter of Offer, our Company has not issued any special voting Rights Shares and there are no outstanding Equity Shares having special voting rights.
- The ex-rights price arrived in accordance with the formula prescribed Regulation 10 (4) (b) of the SEBI (SAST) Regulations, in connection with the Issue is ₹ [●] (Rupees [●] Only).
- Details of outstanding warrants, outstanding instruments with an option to convert or securities which are convertible at a later date into Equity Shares**  
Our Company does not issue any securities which are convertible at a later date into Equity Shares.
- Details of stock option scheme of our Company**  
As on the date of this Draft Letter of Offer, our Company does not have a stock option scheme;

7. **Details of Equity Shares held by the promoter and promoter group including the details of lock-in, pledge of and encumbrance on such Equity Shares**  
As on the date of this Draft Letter of Offer, none of the Equity Shares held by the Promoter of the Company are locked-in, pledged and encumbered.
8. **Details of Equity Shares acquired by the promoter and promoter group in the last one year prior to the filing of this Draft Letter of Offer**

The Promoter of the Company has acquired Equity Shares in the last one year prior to the filing of this Draft Letter of Offer. The details of shares acquired are stated hereunder:

Sr No.	No. of Shares Acquired	Date of Acquisition	Mode of Acquisition	Post Transaction Holding (Number)	Post Transaction Holding (%)
1.	3,52,000	May 03, 2023	Market Purchase	120,210,470	15.64%
2.	2,75,000	May 04, 2023	Market Purchase	120,485,470	15.68%
3.	2,00,000	May 09, 2023	Market Purchase	120,685,470	15.71%
4.	2,00,000	May 10, 2023	Market Purchase	120,885,470	15.73%
5.	200,000	June 02, 2023	Market Purchase	120,685,470	15.73%
6.	373,000	June 02, 2023	Market Purchase	121,258,470	15.78%
9.	200,000	June 05, 2023	Market Purchase	120,885,470	15.73%
10.	833,000	June 08, 2023	Market Purchase	122,091,470	15.89%
11.	780,000	June 12, 2023	Market Purchase	122,871,470	15.99%
12.	460,000	June 14, 2023	Market Purchase	123,331,470	16.05%
13.	774,000	June 19, 2023	Market Purchase	124,105,470	16.15%
14.	670,000	June 23, 2023	Market Purchase	124,775,470	16.24%

9. **Intention and participation by the promoter and promoter group**

The Promoter of our Company vide letter dated August 04, 2023, has confirmed that he may: (a) subscribe in part or to full extent of his Rights Entitlement in this Issue or may renounce all or a portion of their Rights Entitlements, subject to compliance with the provisions Companies Act, the SEBI ICDR Regulations, the Takeover Regulations and other applicable laws/ regulations. The Promoter has acknowledged and undertaken that his investment would be restricted to ensure that the public shareholding in the Company after this Issue does not fall below the permissible minimum level as specified in the listing conditions or Regulation 38 of SEBI (LODR) Regulations.

In case this Issue remains unsubscribed, the Board of Directors may dispose of such unsubscribed portion in the best interest of the Company and in compliance with the applicable laws.

No person connected with this Issue shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Investor for making an application in this Issue, except for fees or commission for services rendered in relation to the Issue.

10. **Shareholding Pattern of our Company as per the last filing made with the BSE Limited in compliance with the provisions of SEBI (LODR) Regulations**

The shareholding pattern of our Company as on March 31, 2023, i.e., per the last filing with the BSE Limited in compliance with the provisions of SEBI (LODR) Regulations, which can be accessed on the websites of the BSE Limited, is specifically mentioned as follows:

Particulars of shareholding pattern	URL of BSE Limited's Website
Statement showing shareholding pattern of the Company	<a href="https://www.bseindia.com/stock-share-price/rainish-wellness-ltd/rainish/541601/shareholding-pattern/">https://www.bseindia.com/stock-share-price/rainish-wellness-ltd/rainish/541601/shareholding-pattern/</a>
Statement showing shareholding pattern of the Promoter and Promoter Group	<a href="https://www.bseindia.com/corporates/shpPromoterNGroup.aspx?scripcd=541601&amp;qtrid=117.00&amp;QtrName=March%202023">https://www.bseindia.com/corporates/shpPromoterNGroup.aspx?scripcd=541601&amp;qtrid=117.00&amp;QtrName=March%202023</a>
Statement showing shareholding pattern of the public shareholder	<a href="https://www.bseindia.com/corporates/shpPublicShareholder.aspx?scripcd=541601&amp;qtrid=117.00&amp;QtrName=March%202023">https://www.bseindia.com/corporates/shpPublicShareholder.aspx?scripcd=541601&amp;qtrid=117.00&amp;QtrName=March%202023</a>
Statement showing shareholding pattern of the Non-Promoter – Non-Public shareholder	<a href="https://www.bseindia.com/corporates/shpNonProPublic.aspx?scripcd=541601&amp;qtrid=117.00&amp;QtrName=March%202023">https://www.bseindia.com/corporates/shpNonProPublic.aspx?scripcd=541601&amp;qtrid=117.00&amp;QtrName=March%202023</a>
Details of Disclosure by Trading Members (TM) holding 1.00% (One Percent) or more of the Total number of Equity Shares	<a href="https://www.bseindia.com/corporates/shpdrPerct.aspx?scripcd=541601&amp;qtrid=117.00&amp;CompName=Rainish%20Wellness%20Ltd&amp;QtrName=March%202023&amp;Type=TM">https://www.bseindia.com/corporates/shpdrPerct.aspx?scripcd=541601&amp;qtrid=117.00&amp;CompName=Rainish%20Wellness%20Ltd&amp;QtrName=March%202023&amp;Type=TM</a>

Details of Public shareholders holding more than 1.00% of the pre-Issue paid up capital of our Company as on date of this Draft Letter of Offer:

Category of shareholder	No. of share holder s	No. of fully paid-up Equity Shares held	Total no. Equity Shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	No. of Voting Rights	Total as a % of Total Voting right	No. of equity shares held in dematerialized form
Seema Gunaji Medhekar	1	15717244	15717244	2.05	15717244	2.05	15717244
Anup Dattaram Patil	1	24069156	24069156	3.13	24069156	3.13	24069156
Ami Niraj Shah	1	26850000	26850000	3.49	26850000	3.49	26850000
Mahendra Janardan Nakti	1	9922685	9922685	1.29	9922685	1.29	9922685
Whamia Traders LLP	1	33564392	33564392	4.37	33564392	4.37	33564392
Skybridge Incap Advisory LLP	1	36948166	36948166	4.81	36948166	4.81	36948166
Sadhu Vintrade LLP	1	17279785	17279785	2.25	17279785	2.25	17279785
Rukhmani Garments LLP	1	31168870	31168870	4.06	31168870	4.06	31168870
Rajmish Traders LLP	1	17299300	17299300	2.25	17299300	2.25	17299300
Nirnay Multitrade LLP	1	11520000	11520000	1.50	11520000	1.50	11520000
Nikhilesh Traders LLP	1	20263222	20263222	2.64	20263222	2.64	20263222
Moonlight Multitrade LLP	1	11620000	11620000	1.51	11620000	1.51	11620000
Mishti Traders LLP	1	33155200	33155200	4.31	33155200	4.31	33155200
Joydeep Commosales LLP	1	11520000	11520000	1.50	11520000	1.44	11520000
Gazala Constructions Private Limited	1	26460000	26460000	3.44	26460000	3.44	26460000
Gajraj Commosales LLP	1	32589156	32589156	4.24	32589156	4.24	32589156
Damini Commosales LLP	1	33638877	33638877	4.38	33638877	4.38	33638877
Birva Trading LLP	1	32184334	32184334	4.19	32184334	4.19	32184334
Azmat Traders LLP	1	18763800	18763800	2.44	18763800	2.44	18763800
Akarshika Traders LLP	1	32830176	32830176	4.19	32830176	4.19	32830176
<b>Total</b>	<b>20</b>	<b>477364363</b>	<b>477364363</b>	<b>62.12</b>	<b>477364363</b>	<b>62.12</b>	<b>477364363</b>

## SECTION V – PARTICULARS OF THE ISSUE

### OBJECTS OF THE ISSUE

Our Company proposes to utilize the net proceeds from the issue towards funding the following objects:

1. To meet Working Capital Expenses;
2. General Corporate Purpose;
3. To meet issue expenses.

The main object clause of the Memorandum of Association of our Company enables us to undertake the existing activities and the activities for which the funds are being raised 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.

### ISSUE PROCEEDS

The details of Issue Proceeds are set forth in the following table:

Particulars	Amount (₹ in Lakhs)
Gross Proceeds from the Issue	4990.00
Less: Estimated Issue related Expenses	100.00
<b>Net Proceeds from the Issue*</b>	<b>4890.00</b>

*\*Assuming full subscription and receipt of all Call Monies with respect to Rights Shares.*

### REQUIREMENT OF FUNDS AND UTILISATION OF NET PROCEEDS

The intended use of the Net Proceeds of the Issue by our Company is set forth in the following table:

Sr. No.	Particulars	Amount (₹ in Lakhs)
1.	To Meet Working expenses	3668.00
2.	General Corporate Purpose	1222.00
	<b>Total Net Proceeds</b>	<b>4890.00</b>

*Kindly note, in an event of any under-utilization of funds from the aforesaid stated objects of the Issue, the Company shall have the liberty to utilize the said balance fund for General Corporate Purpose, which shall not in any event exceed 25.00% (Twenty-Five Percent) of the Gross Proceeds (inclusive of the aforementioned fund requirement for General Corporate Purpose);*

### MEANS OF FINANCE

Our Company proposes to meet the entire requirement of funds for the objects of the Issue from the Net Proceeds. Accordingly, our Company confirms that there is no requirement to make firm arrangements of finance through verifiable means towards at least 75.00% (Seventy-Five Percent) of the stated means of finance for the aforesaid object, excluding the amount to be raised from the Issue.

The fund requirement and deployment are based on our management estimates and has not been appraised by any bank or financial institution or any other independent agencies. The fund requirement above is based on our current business plan and our Company may have to revise these estimates from time to time on account of various factors beyond our control, such as market conditions, competitive environment and interest or exchange rate fluctuations. Further, our Company's funding requirements and deployment schedules are subject to revision in the future at the discretion of our management and may require changes in making one additional call in the future, as may be decided by the Board/ Committee of the Board from time to time, with respect to the Rights Shares for the balance ₹[●] per Rights Share which constitutes [●]% of the Issue Price. If additional funds are required for the purposes mentioned above, such requirement may be met through internal accruals, additional capital infusion, debt arrangements or any combination of them.

### SCHEDULE OF IMPLEMENTATION AND DEPLOYMENT OF FUNDS

Our Company proposes to deploy the entire Net Proceeds towards the Objects as described herein during the Financial Year ending March 31, 2024. The funds deployment described herein is based on management estimates and current circumstances of our business and operations. Given the dynamic nature of our business, we may have to revise our funding requirements and deployment on account of variety of factors such as our financial condition, business, and strategy, including external factors which may not be within the control of our management. This may entail rescheduling and revising the planned funding requirements and deployment and increasing or decreasing the funding requirements from the planned funding requirements at the discretion of our management. Accordingly, the Net Proceeds of the Issue would be used to meet all or any of the purposes of the fund requirements described herein.



## DETAILS OF THE OBJECTS OF THE ISSUE

The details in relation to objects of the Issue are set forth herein below:

### 1. To Meet Working Capital Expenses

Our business is predominantly working capital intensive. Presently, we fund the majority of our working capital requirements in the ordinary course of our business from our internal accruals. We operate in a highly competitive and dynamic market conditions and may have to revise our estimates from time to time on account of external circumstances, business or strategy, foreseeable opportunity. Consequently, our fund requirements may also change.

The details of estimation of our working capital requirement for the Financial Years ending March 31, 2022, March 31, 2023, and the projected estimates for the Financial Year ending March 31, 2024 is provided in the table below:

Sr. No.	Particulars	Actual for the Financial Year ending March 31, 2022		Actual for the Financial Year ending March 31, 2023		Projected for the Financial Year ending March 31, 2024	
		Amount	Holding period	Amount	Holding period	Amount	Holding period
		(₹ in Lakhs)	(No. of days)	(₹ in Lakhs)	(No. of days)	(₹ in Lakhs)	(No. of days)
1.	<b>Current Assets</b>						
	Trade Receivables	1,620.04	224	2,018.60	285	2,876.71	150
	Cash and Cash Equivalents	91.48		34.30		44.98	
	Inventory	209.65	33	374.72	64	1,919.57	120
	Other Assets	1,513.56	30	1,342.99	30	722.84	30
	<b>Total Current Assets (1)</b>	<b>3,434.74</b>		<b>3,770.62</b>		<b>5,564.11</b>	
2.	<b>Current Liabilities</b>						
	Trade Payables	112.92	17	349.12	55	479.89	30
	Short Term Provisions	284.74	30	224.32	30	194.22	30
	<b>Total Current Liabilities (2)</b>	<b>397.66</b>		<b>573.44</b>		<b>674.11</b>	
3.	<b>Working Capital (1-2)</b>	<b>3,037.08</b>		<b>3,197.17</b>		<b>4,890.00</b>	
4.	<b>Funding Pattern</b>						
	Working capital funding from banks	--	--	--	--	0	
	Net Proceeds from the Fresh Issue	--	--	--	--		
	Internal accruals	--	--	--	--		
	<b>Proceeds from proposed Rights Issue</b>	--	--	--	--	4990	
	<b>Total</b>					<b>4990</b>	

\* As per certificate dated Wednesday, August 09, 2023, from the Statutory Auditor of our Company.

### Assumptions for working capital requirements:

Particulars	Assumptions
Inventories	Inventories are expected to grow along with growth in our business. The days of Inventory for FY 2020-21 and 2021-22, is 33 and 64 days respectively (calculated as Inventory divided by Cost of Material Consumed). Our Company assumed days of inventory to be 120 days for FY 2023-24.
Trade receivables	Debtors Holding days were 224 and 284 for FY 2021 and FY 2022, respectively. We expect Debtors Holding days to be at appx. 150 days for FY 2023-24.
Trade payables	The days of outstanding for trade payables were 17 and 55 days for FY 2021 and FY 2022, respectively. We have projected creditors payments days to be at 30 days for FY 2023-24 as the company is confident to negotiate better terms with its vendors.

### 2. General Corporate purpose

The Net Proceeds will first be utilized for the Objects as set out above. Subject to this, our Company intends to deploy balance left out of the Net Proceeds, aggregating to ₹ 1222.00 Lakhs, towards general corporate purposes and the business requirements of our Company, as approved by our management, from time to time, subject to such utilization for general corporate purposes not exceeding 25% of the Gross Proceeds from the Issue, in compliance with the SEBI (ICDR) Regulations. Such general corporate purposes may include, but are not restricted to, (i) strategic initiatives; (ii) funding growth opportunities; (iii) strengthening marketing capabilities and brand building exercises; (iv) meeting ongoing general corporate contingencies; (v) expenses incurred in ordinary course of business; and (vi) any other purpose, as may be approved by our Board or a duly constituted committee thereof, subject to compliance with applicable law, including provisions of the Companies Act.



### 3. Expenses for the Issue

The Issue related expenses consist of fees payable to the Legal Counsel, processing fee to the SCSBs, Registrars to the Issue, printing and stationery expenses, advertising expenses and all other incidental and miscellaneous expenses for listing the Rights Shares on the Stock Exchange.

Activity	Estimated Expense (₹ in Lakhs)	% of Estimated Issue Size Expenses	% of Estimated Issue Size
Fees of the Bankers to the Issue, Registrar to the Issue, Legal Advisor, Auditor's fees, including out of pocket expenses etc.	[●]	[●]%	[●]%
Expenses relating to advertising, printing, distribution, marketing and stationery expenses.	[●]	[●]%	[●]%
Regulatory fees, filing fees, listing fees and other miscellaneous expenses	[●]	[●]%	[●]%
<b>Total estimated Issue expenses*</b>	[●]	[●]%	[●]%

\* Subject to finalization of Basis of Allotment and actual Allotment.

As and when our Company makes the calls for the balance monies with respect to the Rights Shares, our Company shall endeavour to utilize the proceeds raised from such calls within the same Financial Year as the receipt of the said call monies, failing which our Company shall utilize the said call monies in the subsequent Financial Years or by the re-payment dates as described in the '*Objects of the Issue*'.

#### SOURCES OF FINANCING OF FUNDS ALREADY DEPLOYED

As on date, our Company has not deployed any funds towards '*Objects of the Issue*'.

#### APPRAISAL OF THE OBJECTS

None of the Objects of the Issue for which the Net Proceeds will be utilized have been appraised by any bank or financial institution.

#### STRATEGIC AND/ OR FINANCIAL PARTNERS

There are no strategic and financial partners to the objects of the issue.

#### BRIDGE FINANCING FACILITIES

Our Company have not raised or availed any bridge financing facilities for meeting the expenses as stated under the Objects of the Issue.

#### INTERIM USE OF FUNDS

Our Company, in accordance with the policies formulated by our Board from time to time, will have flexibility to deploy the Net Proceeds. Pending utilization of the Net Proceeds for the purposes described above, our Company intends to deposit the Net Proceeds only with scheduled commercial banks included in the second schedule of the Reserve Bank of India Act, 1934 or make any such investment as may be allowed by SEBI from time to time.

#### MONITORING OF UTILIZATION OF FUNDS

Since the proceeds from this Issue are less than ₹10,000.00 Lakhs (Rupees One Hundred Crores), in terms of Regulation 82 of the SEBI (ICDR) Regulations, our Company is not required to appoint a monitoring agency for this Issue. However, as per SEBI (LODR) Regulation, the Audit Committee would be monitoring the utilization of the proceeds of the Issue. The Company will disclose the utilization of the Issue Proceeds under a separate head in the balance sheet along with the relevant details, for all such amounts that have not been utilized. The Company will indicate investments, if any, of unutilized Issue Proceeds in the Financial Statements of the Company for the relevant Financial Years subsequent to receipt of listing and trading approvals from the BSE Limited.

As per the requirements of Regulations 18 of the SEBI (LODR) Regulations, we will disclose to the Audit Committee the uses/ applications of funds on a quarterly basis as part of our quarterly declaration of results. Further, on an annual basis, we shall prepare a statement of funds utilized for purposes other than those stated in the Draft Letter of Offer and place it before the Audit Committee. The said disclosure shall be made till such time that the Gross Proceeds raised through the Issue have been fully spent. The statement shall be certified by our Auditor.

Pursuant to Regulation 32 of the SEBI (LODR) Regulation, the Company shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the Issue Proceeds. In accordance with Regulation 32 of the SEBI (LODR) Regulation, the Company shall furnish to BSE Limited, on a quarterly basis, a statement on material deviations, if any, in the utilization of the proceeds of the Issue from the objects of the Issue as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results after placing the same before the Audit Committee.

#### VARIATION IN OBJECTS

In accordance with applicable provisions of the Companies Act, 2013 and applicable rules, except in circumstances of business exigencies, 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 Hindi, the vernacular language of the jurisdiction where the Registered Office is situated.

#### **KEY INDUSTRY REGULATIONS FOR THE OBJECTS OF THE ISSUE**

No additional provisions of any acts, regulations, rules, and other laws are or will be applicable to the Company for the proposed Objects of the Issue.

#### **INTEREST OF PROMOTERS, PROMOTER GROUP AND DIRECTORS, AS APPLICABLE TO THE OBJECTS OF THE ISSUE**

The Promoter of our Company vide letter dated February 23, 2023, has confirmed that he may: (a) subscribe in part or to full extent of his Rights Entitlement in this Issue or may renounce all or a portion of their Rights Entitlements, subject to compliance with the provisions Companies Act, the SEBI ICDR Regulations, the Takeover Regulations and other applicable laws/ regulations. The Promoter has acknowledged and undertaken that his investment would be restricted to ensure that the public shareholding in the Company after this Issue does not fall below the permissible minimum level as specified in the listing conditions or Regulation 38 of SEBI (LODR) Regulations.

None of our Promoter, members of the Promoter Group and the Directors do not have any interest in the Objects of the Issue.

#### **OTHER CONFIRMATIONS**

Except disclosed above, there is no material existing or anticipated transactions in relation to the utilization of the Net Proceeds with our Promoter, Directors or Key Management Personnel of our Company and no part of the Net Proceeds will be paid as consideration to any of them. Except disclosed above, none of our Promoter, members of Promoter Group or Directors are interested in the Objects of the Issue. No part of the proceeds from the Issue will be paid by the Company as consideration to our directors, or Key Managerial Personnel.

Our Company does not require any material government and regulatory approvals in relation to the Objects of the Issue.

## STATEMENT OF TAX BENEFITS

To,  
The Board of Directors,  
**Rajnish Wellness Limited,**  
Plot no. 24, ABCD, Govt. Industrial Estate, Charkop,  
Kandivali (West), Mumbai – 400 067.

Dear Sir,

**Subject: Proposed rights issue of equity shares of face value of ₹1.00/- (Rupee One only) ('Equity Shares') of Rajnish Wellness Limited ('Company' and such offering, the 'Issue')**

This certificate is issued in accordance with the terms of our engagement letter dated July 28, 2023.

The preparation of the Statement is the responsibility of the management of the Company for the 'Issue', including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

We have complied with the Code of Ethics issued by the Institute of Chartered Accountants of India. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, 'Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements,' issued by the ICAI.

The Management of the Company has prepared 'Statement of possible special tax benefits' under direct tax laws i.e. Income Tax Rules, 1962 ('Income Tax Laws'), and indirect tax laws i.e. the Central Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017, Customs Act, 1962, Customs Tariff Act, 1975 as amended, the rules and regulations, circulars and notifications issued there under, Foreign Trade Policy presently in force in India available to the Company and its shareholders.

The Company has requested us to confirm statement attached in the Annexure I and II, are available to the Company and its shareholders.

We hereby confirm that the enclosed Annexures, prepared by the Company, provides the possible special tax benefits available to the Company. The benefits discussed in the enclosed Statement cover only special tax benefits available to the Company and to the shareholders of the Company and are not exhaustive and also do not cover any general tax benefits available to the Company. Further, any benefits available under any other laws within or outside India have not been examined and covered by this Statement.

This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and 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. Neither are we suggesting nor advising the investor to invest in the Issue based on this statement.

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

1. The Company or its shareholders will continue to obtain these benefits in future; or
2. The conditions prescribed for availing the benefits have been/would be met with.

The contents of the enclosed statement 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.

We hereby consent to the extracts of this certificate being used in the draft letter of offer / letter of offer of the Company in connection with the Issue or in any other documents in connection with the Issue, and the submission of this certificate as may be necessary, to any regulatory authority in connection with the Issue and in accordance with applicable law.

This certificate may also be relied upon by the Company their affiliates and the legal counsel in relation to the Issue.

The above certificate shall not be used for any other purpose without our prior consent in writing and 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 certificate is shown or into whose hands it may come without our prior consent in writing.

Yours faithfully,

**M/s. RISHI SEKHRI & ASSOCIATES**

**Chartered Accountants**

**Firm Registration Number: 128216W**

**Sd/-**

**Rishi Sekhri**

**Proprietor**

**Membership Number: 126656**

**UDIN: 23126656BGWJGB4624**

**Encl: As above**

**Date: 09-08-2023**

**Place: Mumbai**

## ANNEXURE I

### STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO RAJNISH WELLNESS LIMITED ('COMPANY') AND ITS SHAREHOLDERS

#### 1. Under the Income Tax Act, 1961 ('Act')

##### a. Special tax benefits available to the Company under the Act

There are no special tax benefits available to the Company.

##### b. Special tax benefits available to the shareholders under the Act

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

#### Notes

1. The above Statement sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares;
2. 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;
3. The above statement of possible tax benefits is as per the current direct tax laws relevant for the assessment year 2023-24;
4. This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company;
5. In respect of non-residents, the tax rates and consequent taxation will be further subject to any benefits available under the relevant DTAA, if any, between India and the country in which the non-resident has fiscal domicile;
6. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes;

## ANNEXURE II

### STATEMENT OF INDIRECT TAX BENEFITS AVAILABLE TO RAJNISH WELLNESS LIMITED ('COMPANY') AND ITS SHAREHOLDERS

**1. Under the The Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 ('GST Act'), the Customs Act, 1962 ('Customs Act') and the Customs Tariff Act, 1975 ('Tariff Act') (collectively referred to as 'Indirect Tax')**

**a. Special tax benefits available to the Company under the Indirect Tax**

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

**b. Special tax benefits available to the shareholders under the Indirect Tax**

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

**Notes:**

1. The above statement is based upon the provisions of the specified Indirect Tax laws, and judicial interpretation thereof prevailing in the country, as on the date of this Annexure;
2. The above statement covers only above-mentioned Indirect Tax laws benefits and does not cover any direct tax law benefits or benefit under any other law;
3. This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice;
4. 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;

## **INDUSTRY OVERVIEW**

*The information in this section has been extracted from various websites and publicly available documents from various industry sources. The data may have been re-classified by us for the purpose of presentation. Neither the Company nor any other person connected with the Issue has independently verified this information. Industry sources and publications generally state that the information contained therein has been obtained from believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed, and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projection forecasts and assumptions that may prove to be incorrect. Accordingly, investors should not place undue reliance on information.*

### **GLOBAL PROSPECTS AND POLICIES**

The International Monetary Fund (IMF) raised Asia's economic forecast on the back of the reopening of China. However, it warned of risks from high inflation and global market volatility driven by banking-sector crises in the US and Europe. Asia's economy is expected to expand by 4.6 per cent this year after a 3.8 per cent increase in 2022. The forecast for 2023 is an upgrade of 0.3 per cent from its October forecast of 4.3 per cent.

In its regional economic outlook, the Washington-based agency said that Asia and the Pacific will be the most dynamic of the world's major regions in 2023, driven by the buoyant outlook for China and India. Asia will account for 70 per cent of the global growth in 2023. India will be key drivers of growth with an expansion of 5.9 per cent 'IMF said'.

Economists worldwide are evenly divided on the prospects for the economy, with equal shares of 45% finding a global recession this year likely or unlikely, but India figures among the economies most likely to benefit from supply-chain changes, a survey showed on May 02, 2023. In its latest Chief Economists Outlook, the World Economic Forum said economists expect both growth and inflation dynamics to vary widely across regions.

On the economic policy front, 72 per cent predict proactive industrial policy to become an increasingly widespread phenomenon over the next three years. Although, a majority do not see recent financial-sector disruption as a sign of systemic vulnerability, further bank failures and turbulence are considered likely this year. Showing divergent regional dynamics, the most buoyant activity is expected in Asia, with China's reopening expected to drive a significant rebound for the country and to bolster activity across the continent.

More than 90 per cent of the chief economists expected at least moderate growth in both East Asia and Pacific and South Asia.

(Source: [https://www.business-standard.com/world-news/global-recovery-shaky-india-to-benefit-from-supply-chain-changes-wef-123050200226\\_1.html](https://www.business-standard.com/world-news/global-recovery-shaky-india-to-benefit-from-supply-chain-changes-wef-123050200226_1.html))

### **INDIAN ECONOMY OVERVIEW**

#### **Introduction**

India has emerged as the fastest growing major economy in the world as per the Central Statistics Organization (CSO) and International Monetary Fund (IMF) and it is expected to be one of the top three economic powers of the world over the next 10-15 years, backed by its strong democracy and partnerships. As per IMF India's projected Real GDP for 2023 change to 5.9 per cent for 2023-24 and 6.3 per cent for 2024-25.

#### **ROAD AHEAD**

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

India is also focusing on renewable sources to generate energy. It is planning to achieve 40 per cent of its energy from non-fossil sources by 2030 which is currently 30 per cent and also have plans to increase its renewable energy capacity from 57 GW to 175 GW by 2022.

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

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

### **INDIAN HEALTHCARE INDUSTRY**

#### **Introduction**

Healthcare has become one of India's largest sectors - both in terms of revenue and employment. Healthcare comprises hospitals, medical devices, clinical trials, outsourcing, telemedicine, medical tourism, health insurance, pharmaceuticals and medical equipment. The Indian healthcare sector is growing at a brisk pace due to its strengthening coverage, services and increasing expenditure by public as well private players.

Indian healthcare delivery system is categorized into two major components - public and private. The Government, i.e., public healthcare system comprises limited secondary and tertiary care institutions in key cities and focuses on providing basic healthcare facilities in the form of primary

healthcare centres (PHCs) in rural areas. The private sector provides majority of secondary, tertiary and quaternary care institutions with a major concentration in metros, tier I and tier II cities.

## MARKET SIZE

The Indian healthcare sector is expected to record a three-fold rise, growing at a CAGR of 22% between 2016–22 to reach US\$ 372 billion in 2022 from US\$ 110 billion in 2016. By FY22, Indian healthcare infrastructure is expected to reach US\$ 349.1 billion. As of 2021, the Indian healthcare sector is one of India's largest employers, as it employs a total of 4.7 million people.

In the Economic Survey of 2022, India's public expenditure on healthcare stood at 2.1% of GDP in 2021-22 against 1.8% in 2020-21 and 1.3% in 2019-20.

In FY22, premiums underwritten by health insurance companies grew to Rs. 73,582.13 crore (US\$ 9.21 billion). The health segment has a 33.33% share in the total gross written premiums earned in the country.

The Indian medical tourism market was valued at US\$ 2.89 billion in 2020 and is expected to reach US\$ 13.42 billion by 2026. According to India Tourism Statistics at a Glance 2020 report, close to 697,300 foreign tourists came for medical treatment in India in FY19. India has been ranked 10th in the Medical Tourism Index (MTI) for 2020-21 out of 46 destinations by the Medical Tourism Association.

The e-health market size is estimated to reach US\$ 10.6 billion by 2025.

As per information provided to the Lok Sabha by the Minister of Health & Family Welfare, Dr. Bharati Pravin Pawar, the doctor population ratio in the country is 1:854, assuming 80% availability of 12.68 lakh registered allopathic doctors and 5.65 lakh AYUSH doctors.

(Source: <https://www.ibef.org/industry/healthcare-india>)

## GOVERNMENT INITIATIVES

Some of the major initiatives taken by the Government of India to promote the Indian healthcare industry are as follows:

- In the Union Budget 2023-24:
  - Under the Union Budget 2023-24, the Ministry of Health and Family Welfare has been allocated Rs. 89,155 crore (US\$ 10.76 billion), an increase of 3.43% compared to Rs. 86,200.65 crore (US\$ 10.4 billion) in 2021-22.
  - Pradhan Mantri Swasthya Suraksha Yojana (PMSSY) was allocated Rs. 3,365 crore (US\$ 0.41 billion)
  - Human Resources for Health and Medical Education was allotted Rs. 6,500 crore (US\$ 780 million).
  - National Health Mission was allotted Rs. 29,085 crore (US\$ 3.51 billion).
  - Ayushman Bharat – Pradhan Mantri Jan Arogya Yojana (AB-PMJAY) was allotted Rs. 7,200 crore (US\$ 870 million).
  - Rs. 5,156 crore (US\$ 675.72 million) was allocated to the newly announced PM-ABHIM to strengthen India's health infrastructure and improve the country's primary, secondary and tertiary care services.
- In July 2022, the World Bank approved a US\$ 1 billion loan towards India's Pradhan Mantri-Ayushman Bharat Health Infrastructure Mission.
- In order to promote medical tourism in the country, the government of India is extending the e-medical visa facility to the citizens of 156 countries.
- In May 2022, the Union Government approved grants for five new medical colleges in Gujarat with a grant of Rs. 190 crore (US\$ 23.78 million) each. These colleges will come up in Navsari, Porbandar, Rajpipla, Godhra and Morbi.
- In November 2021, the Government of India, the Government of Meghalaya and the World Bank signed a US\$ 40-million health project for the state of Meghalaya. Project will improve the quality of health services and strengthen the state's capacity to handle future health emergencies, including the COVID-19 pandemic.
- In September 2021, Prime Minister Mr. Narendra Modi launched the Ayushman Bharat Digital Mission. The mission will connect the digital health solutions of hospitals across the country with each other. Under this, every citizen will now get a digital health ID and their health record will be digitally protected.



- In September 2021, the Telangana government, in a joint initiative with World Economic Forum, NITI Aayog and HealthNet Global (Apollo Hospitals), launched 'Medicine from the Sky' project. The project will pave the way for drone delivery of life saving medicines and jabs in far-flung regions of the country.
- According to a spokesperson, the Indian government is planning to introduce a credit incentive programme worth Rs. 500 billion (US\$ 6.8 billion) to boost the country's healthcare infrastructure. The programme will allow firms to leverage the fund to expand hospital capacity or medical supplies with the government acting as a guarantor and strengthen COVID-19-related health infrastructure in smaller towns.
- In July 2021, the Ministry of Tourism established the 'National Medical & Wellness Tourism Board' to promote the medical and wellness tourism in India.
- In July 2021, the Union Cabinet approved continuation of the National Ayush Mission, responsible for the development of traditional medicines in India, as a centrally sponsored scheme until 2026.
- In July 2021, the Union Cabinet approved the MoU between India and Denmark on cooperation in health and medicine. The agreement will focus on joint initiatives and technology development in the health sector, with the aim of improving public health status of the population of both countries.
- In June 2021, the Ministry of Health and Family Welfare, in partnership with UNICEF, held a capacity building workshop for media professionals and health correspondents in Northeastern states on the current COVID-19 situation in India, to bust myths regarding COVID-19 vaccines & vaccination and reinforce the importance of COVID-19 Appropriate Behavior (CAB).

## ROAD AHEAD

India's healthcare sector is extremely diversified and is full of opportunities in every segment, which includes providers, payers, and medical technology. With the increase in the competition, businesses are looking to explore the latest dynamics and trends which will have a positive impact on their business. The hospital industry in India is forecast to increase to Rs. 8.6 trillion (US\$ 132.84 billion) by FY22 from Rs. 4 trillion (US\$ 61.79 billion) in FY17 at a CAGR of 16–17%.

India is a land full of opportunities for players in the medical devices industry. The country has also become one of the leading destinations for high-end diagnostic services with tremendous capital investment for advanced diagnostic facilities, thus catering to a greater proportion of the population. Besides, Indian medical service consumers have become more conscious towards their healthcare upkeep. Rising income levels, an ageing population, growing health awareness and a changing attitude towards preventive healthcare is expected to boost healthcare services demand in the future. Greater penetration of health insurance aided the rise in healthcare spending, a trend likely to intensify in the coming decade.

The Government aims to develop India as a global healthcare hub, and is planning to increase public health spending to 2.5% of the country's GDP by 2025.

# HEALTHCARE



## MARKET SIZE



## SECTOR COMPOSITION



## KEY TRENDS



## GOVERNMENT INITIATIVES



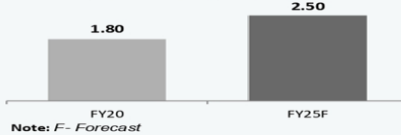
## ADVANTAGE INDIA

Healthcare Sector Growth Trend (US\$ billion)

CAGR 16.28%



Government Healthcare Expenditure (as a percentage of GDP)



Infrastructure Facts



Number of doctors reached 1.27 million in July 2021



Number of medical colleges reached 558 in July 2021

Health Insurance Premium Collection (US\$ billion)



Public Private Partnership



National AYUSH Mission



'Vision 2035: Public Health Surveillance in India'



Ayushman Bharat Digital Mission

- **Strong demand:** Healthcare market in India is expected to reach US\$ 193.83 billion by 2020 and US\$ 372 billion by 2022, driven by rising income, better health awareness, lifestyle diseases and increasing access to insurance.
- **Rising Manpower and Medical Colleges:** Availability of a large pool of well-trained medical professionals in the country.
- **Government support:** In Union Budget 2021, the government allocated Rs. 35,000 crore (US\$ 4.80 billion) for COVID-19 vaccines in 2021-22. In March 2021, the Parliament passed the National Commission for Allied, Healthcare Professions Bill 2021, which aims to create a body that will regulate and maintain educational and service standards for healthcare professionals. The Indian government is planning to introduce a credit incentive programme worth Rs. 500 billion (US\$ 6.8 billion) to boost the country's healthcare infrastructure.
- **Attractive opportunities:** Two vaccines (Bharat Biotech's Covaxin and Oxford-AstraZeneca's Covishield manufactured by Serum Institute of India) – medically safeguarding Indian population and those of 100+ countries against COVID-19.

## BUSINESS OVERVIEW

*Some of the information in this section, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. Before deciding to invest in the Equity Shares, Shareholders should read this entire Draft Letter of Offer. An investment in the Equity Shares involves a high degree of risk. For the purpose of discussion of certain risks in connection with investment in the Equity Shares, you should read 'Risk Factors' beginning on page 16 of this Draft Letter of Offer, and for the purpose of discussion of the risks and uncertainties related to those statements, as well as for the discussion of certain factors that may affect our business, financial condition, you should read 'Financial Information' beginning on page 60 of this Draft Letter of Offer.*

### OVERVIEW

Our Company was originally incorporated on June 13, 2015 as a private limited Company under the name and style of “Rajnish Hot Deals Private Limited” under the provisions of Companies Act, 2013 with the Registrar of Companies, Mumbai, and Maharashtra. Subsequently, our Company was converted into a Public Limited Company on February 01, 2018. Pursuant to a resolution of our Shareholders passed on February 03, 2018, the name of our Company was changed to Rajnish Wellness Limited from Rajnish Hot Deals Private Limited and a fresh certificate of incorporation consequent upon change of name was issued by the Registrar of Companies, Mumbai on February 09, 2018.

Our Company is currently engaged in the business of selling various products in the categories ranging from pharmaceutical products, consumer durables to ayurvedic personal care products. Company's major focus area is pharmaceutical, sexual wellness, energy revitalization and personal care products. Changing lifestyle and awareness of health and wellness leads to increase in demand for sexual wellness and energy revitalization products. Our Current product portfolio is concentrated on pharma and ayurvedic products.

Our Company having foreseen the business opportunities and rapid increase in the number of people using internet as a platform for their buying their medicines and other healthcare and personal care products we came up with an idea of '**DAVA DISCOUNT**'. The Company has started with the franchise model under the brand name "**DAVA DISCOUNT**". ***'Dava Discount' is supplying all the pharmaceutical products throughout the country with its Dava Discount franchisee. Our business objective is to provide all branded medicines at a discounted/reasonable/competitive price for public at large.*** To expand the franchise model the Company has entered into multiple franchise agreement across India. We also continue to have a tie up with various e-commerce websites like snapdeal.com, indiamart.com, clickoncare.com, lovenaturalremedies.com, ayurvedmart.com and fineyog.com etc. to sell the products. Also, our Company has established a pharma centric platform of 'Dava Discount' to focus more on this model i.e., <https://davadiscount.com/>.

Our Company has a PAN India presence. We run on asset light model and owns all the brands under its name. We are sourcing our all products from dedicated manufacturers since inception. Our Company has outsourced all its manufacturing needs to various suppliers who are expert in particular product in India which enables company to adhere to the required specifications and quality in stipulated time. Our Company has entered into several franchise across India and has also received in principal approval from Eastern Railways for setting up business centers at 500 plus stations across Tier I, II and III cities. Our Company has a presence in over 21 states with over 500 super Stuckists and 10000 distributors having presence in more than 100,000 medical stores pan India.

Our Promoter Mr. Rajnish Kumar Surendra Prasad Singh is responsible for the tremendous growth achieved by our Company in the past. With the experience and knowledge of our promoter about the advertising, marketing, branding, direct and retail selling etc., we were able to grow our turnover in leaps and bounds. Our Promoters' unique ideas and innovative solutions to the various operational activities along with the hardworking team are the main strength of our Company.

### DAVA DISCOUNT

#### A BRAND OF RAJNISH WELLNESS LIMITED

##### “THE CONCEPT”

***Dava Discount' is supplying all the pharmaceutical products throughout the country with its Dava Discount franchisee. Our business objective is to provide all branded medicines at a discounted/reasonable/competitive price for public at large.*** The brand Dava Discount is offering the business opportunities in domestic horizon covering all the state of the country. Dava Discount is supplying all the pharmaceutical products throughout the country with its Dava Discount franchisee. Our business objective is to provide all branded medicines at a discounted price. Dava Discount franchisee assures you best of services for effective and unique marketing skills in the territory or pin code chosen by you and ensures timely supply of branded medicines at competitive prices.



### Vision

To be the Leading national chain of drugstore that offers maximum discounts and genuine branded medicines with customer happiness and noble social cause that can save life.



### Mission

Our mission is to open **1000+** stores across India by 2025. We want to reach to maximum people and provide them with discounted medicines in their vicinity.



### Corporate Social Responsibility

Along with providing discounted branded medicines, customers satisfaction is major social cause of our business. We would like to remove the high cost barrier so even normal people can afford it.

## USP OF DAVA DISCOUNT



# Advantages of Owning a Monopoly Business



## Dava Discount Franchise



### Single Store in One Pincode

One store in selected area will increase popularity and work

**20% OFF**

### Flat 15% to 20% Discount

Only company to offer 15% to 20% discount on Medicines



### Accelerated Growth

Accelerated growth in leads, conversions and customers to meet desired goals or to maximise profit in short duration



## Dava Discount Franchise vs Normal Medical Store

Flat 15 to 20% off on Branded medicines (not generic)



Upto 5-10% discount on medicines (Generic & Branded)

Doctor prescribe branded medicines



Unavailability of prescribed medicines leads to use of alternative medicine

Discount on all branded medicines



Discount on selective medicines

First 3 months assured income of Rs. 1,00,000/- p.m.



No profit assurance

Less Investment, High Return



High Investment, less returns

Corporate marketing support i.e. Digital, Social



No Marketing support

Corporate support for license work



No support for license work

Back up for staff recruitment



No back up recruitment



## Company Deliverables – Key Strengths



### Excellence

- Excellent in Sales & Marketing
- Strong legal team for licenses and compliances
- 21 states Pan India presence
- Goodwill you can rely upon



### Profitable Business Model

- Less Investment, High return
- Corporate back up – Staff recruitment & Training
- Streamlines stock management & inventory analysis



### Creativity

- Problem solving skills
- Pioneer of new ideas
- Creator or pilot programs



## MANUFACTURERS

We are sourcing our all products from dedicated manufacturing since inception. We out sourced all its manufacturing needs to various suppliers who are expert in particular product in India which enables company to adhere to the required specifications and quality in stipulated time.

## OUR BUSINESS STRENGTHH

### 1. Experienced Promoters and management team.

Our Company is managed by a team of competent personnel having knowledge of core aspects of our Business. Our promoter viz. Mr. Rajnish Kumar Surendra Prasad Singh with his knowledge and experience as well as assisted by our Key Managerial Persons who have helped us to have long-term relations with our customers. Further, they have also facilitated us to entrench with new customers. We believe that our experience, knowledge and human resources will enable us to drive the business in a successful and profitable manner.

### 2. Focused Market Area

Our company is engaged in the business of marketing and selling over the counter ayurvedic medicines and personal care products. We have focused on Urban, Semi-Urban and Rural markets to sell our exclusive products, as the demand of quality goods and services in the urban, semi-urban and rural areas of India is increasing rapidly.

### 3. Evolving Healthy Lifestyle.

Pharmaceuticals, Ayurved and Personal Care products today is a part of new movement towards a global medicine that includes the best developments from all lands. Number of consumers is adopting a natural way of life and therefore the demand for Ayurveda and herbal products is growing these days.

### 4. Easy Access

Rajnish wellness have very strong franchise, dealer network and our products are available on all medical stores. The availability of our products is way easier as the products are available over different websites i.e., snapdeal.com, indiamart.com, clickoncare.com, lovenaturalremedies.com, ayurvedmart.com, fineyog.com. We also accept orders over telephone through our dedicated Customer Care Centers.

### 5. Range of Product Offerings

The Company offers a range of products. The range of Products that Company offers makes the Company a complete solution provider for all kind of health care products.

## UTILITY AND INFRASTRUCTURE FACILITIES:

### Infrastructure facilities

Our registered office is situated at Plot No. 24, ABCD, Govt. Industrial Estate, Charkop, Kandivali(west), Mumbai-400067 Mumbai City, Maharashtra, is well equipped with computer systems, internet connectivity, communication equipment and other facilities which are required for our business operations to function smoothly.

### Power facilities

Our Company has made adequate arrangements for its power requirements. The requirement of power for our operations is met through the State Electricity Board.

### Water facilities

Water is required for human consumption and adequate water sources are available. The requirements are fully met at the existing premises.

## OUR STRATEGY

- 1. Expansion of Domestic Market:** We intend to expand our geographical reach and enter the large domestic market for growth opportunities of our business. We plan to deepen our presence in the existing market and expand our reach and penetrate into the large available market by giving scale down low-price solution and grab major market share.
- 2. Improving operational efficiencies:** Our Company intends to improve efficiencies to achieve cost reductions so that they can be competitive. We believe that this can be done through domestic presence and economies of scale. Increasing our penetration in existing regions with new range of products, will enable us to penetrate into new catchment areas within these regions and optimize our infrastructure. As a result of these measures, our company will be able to increase its market share and profitability.
- 3. Promotion of our brand recognition:** We propose to increase the brand recognition through various brand building efforts, communication and various promotional initiatives. Such promotion would enhance the visibility of our brand and also enhance our business positioning and credibility.
- 4. Leveraging our Market skills and Relationships:** This is a continuous process in our organization and the skills that we impart in our people give importance to customers. We aim to enhance the growth by leveraging our relationships and further enhancing customer satisfaction. We plan to increase our customers by meeting orders in hand on time, maintaining our customer relationship and renewing our relationship with existing buyers.
- 5. Pursue strategic acquisitions:** In order to expand, we seek to identify acquisition targets and/or joint venture partners whose resources, capabilities, technologies and strategies are complementary to and are enabling us to establish our presence in new geographical locations.



## OUR PRODUCTS



## HUMAN RESOURCE

We believe that our employees are key contributors to our business success. We focus on attracting and retaining the best possible talent. As on March31, 2023, we had 19 permanent employees. Following are our employee brief details:

Sr. No.	Type of Engagement	Department	No. Employees
1.	Permanent	Management	3
		Sales & Marketing	3
		Administration	2
		Accounting & Finance	3
		Operations	2
		Human Resource	2
		Customer Care	3
		Receptionist	1
		<b>Total</b>	<b>19</b>
2.	Contract Basis		
		Customer Care	13

Sr. No.	Type of Engagement	Department	No. Employees
		Sales and Marketing	15
		<b>Total</b>	<b>28</b>
		<b>Grand Total</b>	<b>47</b>

#### OUR MAIN DISTRIBUTOR

Sr. No.	Name of the Distributors	State
1.	Skites Pharma	Maharashtra
2.	Sparikh Pharma Pvt Ltd	Maharashtra
3.	Human Care Pharmaceutical	Maharashtra
4.	Anandi Pharmaceuticals	Maharashtra
5.	Aabha Contraceptives	Maharashtra
6.	Alicon Pharmaceuticals	Maharashtra
7.	Chintan Agencies	Maharashtra
8.	P. D. Doshi	Maharashtra
9.	Ator Healthcare Pvt Ltd	Maharashtra
10.	Chaitali Distributors	Maharashtra

#### OUR ULTIMATE MANUFACTURER ARE AS FOLLOWS:

Sr. No.	Name of the Product	Manufacturer
1.	Playwin Products (Playwin Capsule, F, Plus and Oil)	Anandi Pharmaceuticals
2.	Playwin Condom – Pack of 4	Aabha Contraceptives Pvt Ltd
3.	Rajnish Lotion, Cream	Alicon Pharmaceuticals
4.	Mithohar Liquid, Ointment	Rasraj Ayurvedic Pharmacy
5.	Rajnish Malam	Carewell Ayurveda
6.	PlaywinCondom-Pack of 10	MJS Latex Pvt Ltd

#### QUALITY CERTIFICATE

Our products are duly registered and granted license under regulatory by Food & Drugs Control Administration. With growing needs, we utilize the modern ideas and technical innovations to improve quality at every step of the production processes, conforming to consumer's expectation and meeting the most desired quality.

Our mission is continuous improvement through sustained and synchronized efforts to ensure effectiveness of our developing Quality Management System and to maintain highest standards of quality of our product.

#### LIST OF MACHINES

Our Company is engaged in getting our products manufactured from other manufacturers and also distributing products of other brands, therefore, Our Company does not have Plant and Machinery.

#### COMPETITION

The industry in which we are operating is highly and increasingly competitive. The competitive pricing and other factors may affect our results of operations and financial condition. Competition may result in pricing pressures, reduced profit margins or loss market share or a failure to grow our market share, any of which could substantially harm our business and results of operations.

#### MARKEING STRATEGY

We provide products under PAN (Presence Across Nation) India basis and we create brand visibility through marketing and advertising. We are also diversifying the products in direct and combo deals of Pharma, Healthcare, Energy, Revitalization and Birth control products. Further, Our Sales & Marketing team is headed by our management which keeps itself updated on the customer preference and changes in their requirements from time to time. Based on the feedback from our sales team, we place the purchase order with our different manufacturers.

## **COLLABORATIONS**

The Company has so far not entered into any technical or financial collaboration agreement.

## **EXPORT POSSIBILITY AND OBLIGATION**

Our Company doesn't have any export obligation.

## **INTELLECTUAL PROPERTY**

For details of the trademarks registered in the name of our Company and the application made for registration, please refer "Government and Other Approvals" on page 90 of this Draft Letter of Offer.

## **OUR PROPERTY**

As on filing the Draft Letter of Offer the Company does not own any property and solely operates on rented premises.

## **INSURANCE POLICIES**

As on the date of filing the Draft Letter of Offer, our Company do not have any policies.

## OUR MANAGEMENT

Our Articles of Association provide that our Board shall consist of minimum 3 (Three) Directors and not more than 15 (Fifteen) Directors, unless otherwise determined by our Company in a general meeting.

As on date of this Draft Letter of Offer, our Company currently has 7 (Seven) directors on its Board, 1 (One) Managing Executive Director and Chairperson, 2 (two) Non-Executive Non-Independent Directors and 4 (Four) Non-Executive Independent Director. The present composition of our Board of Directors and its committees are in accordance with the corporate governance requirements provided under the Companies Act and SEBI (LODR) Regulations, to the extent applicable.

The following table sets forth details regarding our Board of Directors as on the date of this Draft Letter of Offer:

Name, Designation, Address, Occupation, Term, Nationality, Date of Birth and DIN		Age (years)	Other Directorships
<b>Rajnish Kumar Surendra Prasad Singh</b>			
<i>Designation</i>	Managing and Executive Director and Chairperson Navjivan Comm.		
<i>Address</i>	B Wing 6th Floor 602, Shreenath Nagar Building No 1, Nalasopara, Opp Yashwant Gaurav, Karmale Palghar Sopara, Maharashtra – 401203;	37 years	NIL
<i>Occupation</i>	Business;		
<i>Term</i>	Appointed as Managing Director for period of Five years w.e.f. 03.02.2018;		
<i>Nationality</i>	Indian;		
<i>Date of Birth</i>	16.08.1985;		
<i>DIN</i>	07192704.		
<b>Sanjjari Sanju Kashyap</b>			
<i>Designation</i>	Non- Executive Independent Director;	29 years	1. A2ZDev Ventures Private Limited
<i>Address</i>	1101, Vasant Marvel, Thakur Complex, Kandivali (East), Mumbai, Maharashtra 400101		
<i>Occupation</i>	Business;		
<i>Term</i>	Appointed as Non-Executive Director for Five years w.e.f. March 05, 2023		
<i>Nationality</i>	Indian;		
<i>Date of Birth</i>	08.01.1994		
<i>DIN</i>	10062907		
<b>Abhinandan Ashok Kumar Paliwal</b>			
<i>Designation</i>	Non-Executive Independent Director;	37 Years	
<i>Address</i>	Sai Mauli Apartment, 4th Floor, Flat No 401, Phulpada Road, Thane Virar (East) Vasai, Maharashtra 401 303;		NIL
<i>Occupation</i>	Business;		
<i>Term</i>	Appointed as Independent Director w.e.f. 03.02.2018for 5 years;		
<i>Nationality</i>	Indian;		
<i>Date of Birth</i>	August 01, 1986;		
<i>DIN</i>	08064706		
<b>Swati Jain</b>			
<i>Designation</i>	Additional Director Non-Executive Non- Independent Director;	31 Years	1. Valecha Engineering Limited 2. Goalpost Industries Limited 3. Ispatika International Limited 4. EMS Limited 5. Adishakti Loha and Ispat Limited 6. Plaza Wires Limited 7. Golden Bio Energy Limited
<i>Address</i>	3-a 118/8, Nehru Nagar, Near Nasirpur Phatak, Ghaziabad, Uttar Pradesh - 201001		
<i>Occupation</i>	Business;		

Name, Designation, Address, Occupation, Term, Nationality, Date of Birth and DIN		Age (years)	Other Directorships
<i>Term</i>	Originally appointed as Independent Director w.e.f. 09.05.2023. However, her designation was changed from Independent Director to Non- Executive Non-Independent w.e.f. 07.08.2023, to meet the Board Composition requirements.		
<i>Nationality</i>	Indian;		
<i>Date of Birth</i>	24.02.1992		
<i>DIN</i>	09436199		
<b>Monam Kapoor</b>		34 Years	
<i>Designation</i>	Non-Executive Independent Director;		1. Elitecon International Limited
<i>Address</i>	126, New Gandhi Nagar, Ghaziabad, Uttar Pradesh - 201001;		2. Wonder Electricals Limited
<i>Occupation</i>	Business		3. Krishna Ventures Limited
<i>Term</i>	Appointed as Independent Director for 5 years w.e.f. 10.02.2022		4. Oscar Global Limited.
<i>Nationality</i>	Indian;		5. Trimurthi Limited
<i>Date of Birth</i>	September 16, 1988		6. Golden Tobie Limited
<i>DIN</i>	09278005.		7. Plaza Wires Limited
			8. Ispatika International Limited
<b>Preeti Garg</b>		39 Years	
<i>Designation</i>	Non-Executive Independent Director;		1. Elitecon International Limited
<i>Address</i>	3rd Floor F-27, Nehru Nagar, Ghaziabad, Uttar Pradesh – 201 001;		2. A F Enterprises Limited
<i>Occupation</i>	Professional		
<i>Term</i>	Appointed as Independent Director for 5 years w.e.f. 07.09.2022		
<i>Nationality</i>	Indian;		
<i>Date of Birth</i>	06.07.1984		
<i>DIN</i>	09662113.		
<b>Saloni Mehra</b>		29 Years	
<i>Designation</i>	Additional Director		
<i>Address</i>	Non-Executive Non- Independent Director; H. No. 49, Katra, Moti Ram, I/S Hathigate, Amritsar, Punjab 143001		
<i>Occupation</i>	Business		
<i>Term</i>	Originally appointed as Independent Director w.e.f. 09.05.2023. However, her designation was changed from Independent Director to Non- Executive Non-Independent w.e.f. 07.08.2023, to meet the Board Composition requirements.		1. Krishna Ventures Limited
<i>Nationality</i>	Indian;		2. Chandranshu Marketing Limited
<i>Date of Birth</i>	08.01.1994		3. Davin Sons Limited
<i>DIN</i>	10062907		

## Confirmations

### 1. Past Directorships in suspended companies

None of our Directors are, or were a director of any listed company, whose shares have been, or were suspended from being traded on any of the BSE Limited during the term of their directorships in such companies during the last 5 (Five) years preceding the date of this Draft Letter of Offer.

### 2. Past Directorships in delisted companies

Further, none of our directors are or were a director of any listed company, which has been, or was delisted from any stock exchange during the term of their directorship in such Company during the last 10 (Ten) years preceding the date of this Draft Letter of Offer.

### 3. Relationship between Directors

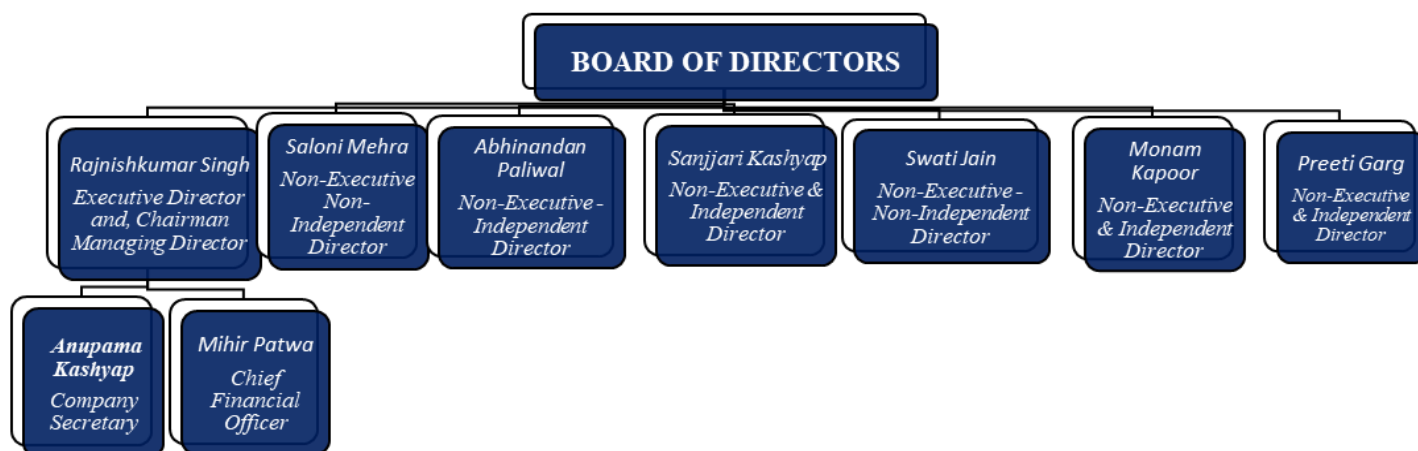
As on the date of this Draft Letter of Offer, none of our directors are related to each other.

#### 4. Arrangement or understanding with major Shareholders, customers, suppliers or others

Our Company has not entered any arrangement or understanding with major shareholders, customers, suppliers, or others pursuant to which any of the above-mentioned directors have been appointed in the Board.

#### 5. Details of service contracts entered with Directors

Our Company has not entered any service contracts with the present Board of Directors for providing benefits upon termination of employment.



#### DETAILS OF OUR KEY MANAGERIAL PERSONNEL AS ON THE DATE OF FILING OF THIS DRAFT LETTER OF OFFER

1. Mr. Rajnish Kumar Surendra Prasad Singh aged 37 years is the Promoter and Managing Director of our Company. He is Graduate from Patna University in the year 2007 and has excellent knowledge and experience in the field of Manufacturing of Ayurvedic Products, dealing in e-commerce industry and in the field of advertisement. He is having more than 13years of experience in the area of management, marketing and administration. He guides company in its growth strategies. He has been appointed Managing Director of our Company w.e.f. 03rd February, 2018.
2. Mr. Mihir Shrenik Patwa, aged 31years is the Chief Financial Officer of our Company. He is a Graduate from Maharashtra Board, in the year 2013and has vast knowledge in the field of Accounts and Finance. He is having more than 7 years of experience in the area of accounts and finance. As Chief Financial Officer of our Company with corporate acumen he brings value addition to our Company. He has been on the Board of our Company since January 22, 2016.
3. Ms. Anupma Kashyap, aged 33 years, is the Company Secretary and Compliance Officer of our company. She has completed Company Secretary & Bachelor of Information and Management. She has more than 5 years of experience in the field of Secretarial and Legal matters. She has been appointed as the Company Secretary of the Company with effect from June 01, 2022.



**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF RAJNISH WELLNESS LIMITED**

**Independent Auditor's Report  
To the Members of  
RAJNISH WELLNESS LIMITED  
Report on the Audit of the Standalone Financial Statements**

**Opinion**

We have audited the accompanying Standalone Financial Statements of M/s. Rajnish Wellness Limited "the company"), which comprise the Balance Sheet as at 31st March, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of membership of the Company as at March 31, 2023 and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing (SAS) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICA") together with the independence requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.

**Information Other than the Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexure to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Consolidated Financial Statements, Standalone Financial Statements and our auditor's report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

**Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Director's are also responsible for overseeing the Company's financial reporting process.



## **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that is appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists; we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## **Report on other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters Specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, based on our audit we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
  - d. In our opinion, the aforesaid Standalone Financial Statements comply with the specified under Section 133 of the Act, read with relevant rules issued there under.
  - e. On the basis of the written representations received from the Directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on from being appointed as a director in terms of Section 164 (2) of the Act.
  - f. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
  - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company does not have any pending litigations on its financial position in its Standalone Financial Statements.
- ii. The Company does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv.
  - a. The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  - b. The Management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  - c. Based on the audit procedures performed that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.
  - d. The company has not declared or paid any dividend during the year.

**For M/s. Rishi Sekhri & Associates**

**Chartered Accountants**

**FRN: 128216W**

Sd/-

**CA Rishi Sekhri**

**Proprietor**

**Membership No. 126656**

**UDIN No. 23126656BGWIKV2557**

**Place: Mumbai**

**Date: 20-04-2023**

**Annexure – “A” To the Independent Auditor’s Report**

**Annexure referred to in Independent Auditors Report to the Members of M/s. Rajnish Wellness Limited on the Standalone Financial Statements for the year ended 31<sup>st</sup> March 2022, we report that:**

- i. In respect of the Company’s Property, Plant and Equipment and Intangible Assets:
  - a. (A) The Company has maintained proper records showing full Particulars, including quantitative details and situation of Property, Plant & Equipment.  
(B) The company has maintained proper records showing full Particulars of intangible assets
  - b. As explained to us, Property Plant and Equipment have been physically verified by the management at regular intervals; as informed to us no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable.
  - c. According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no immovable properties held in the name of the Company
  - d. According to the information and explanations given to us and on the basis of our examination of records, the company has not revalued the Property Plant and Equipment or intangible assets during the period under review.
  - e. As represented to us and according to the information given to us, the Company does not hold any Benami Property. No proceedings have been initiated during the year or are pending against the Company as at under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made there under.
- ii.
  - a. The Company has inventory
  - b. The Company has working capital limits in excess of Rs. 5 crores, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, and Limited Liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013,
- iv. The Company has not granted any loans or made any investments, or provided any guarantee or security to the parties covered under section 185 and 186 of the Act.
- v. The Company has not accepted any deposits from the public covered under Section 73 to 76 of the Companies Act, 2013 and rules framed there under to the extent notified.
- vi. In respect of statutory dues:
  - a. The company is regular in depositing the undisputed statutory dues, including Provident Fund, Employees State Insurance, Goods and Service Tax and other material statutory dues as applicable.
- vii. Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the company does not have any transactions which are not recorded in the books of account have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act.
- viii.
  - a. The Company has not defaulted in repayment of loans or other borrowings.
  - b. The Company has not taken any term loan during the year.
  - c. On an overall examination of the Financial Statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
  - d. On an overall examination of the Financial Statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
  - e. The Company has not raised any loans during the year on the pledge of securities held in its subsidiaries.
- ix.
  - a. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year.
  - b. During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally).
- x.
  - a. No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
  - b. No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
  - c. As represented to us by the management, there are no whistle blower complaints received by the company year.
- xi. The Company is not a Nidhi Company.
- xii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the Financial Statements as required by the applicable accounting standards.
- xiii.
  - a. In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
  - b. We have considered the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- xiv. In our opinion, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company
- xv.
  - a. In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi) (a), (b) and (c) of the Order is not applicable.

- b. In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3 (xvi) (d) of the Order is not applicable.
- xvi. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the Standalone Financial Statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xvii. a. The Company is not covered under the provisions of section 135 of the Companies Act, 2013

**For M/s. Rishi Sekhri & Associates**

**Chartered Accountants**

**FRN: 128216W**

Sd/-

**CA Rishi Sekhri**

**Proprietor**

**Membership No. 126656**

**UDIN No. 23126656BGWIKV2557**

**Place: Mumbai**

**Date: 20-04-2023**

## **Annexure- “B” To the Independent Auditor’s Report**

### **Report on the Internal Financial Controls over Financial Reporting under Clause (1) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of M/s. Rajnish Wellness Limited (“the Company”) as of in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **Auditor’s Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company.

#### **Meaning of Internal Financial Controls over Financial Reporting**

A Company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Financial Statements for external purposes in accordance with generally accepted accounting principles. A Company’s internal financial control over financial reporting includes these policies and procedures that (1) pertain to the maintenance of records that, in reasonable detailed, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Financial Statements in accordance with generally accepted principles, and that receipts and expenditures are being made only in accordance with authorization of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company’s assets that could have a material effect on the Standalone Financial Statements.

#### **Inherent Limitation of Internal Financial Controls over Financial Reporting**

Because of the inherent limitation of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over Financial reporting were operating effectively as at, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For M/s. Rishi Sekhri & Associates**

**Chartered Accountants**

**FRN: 128216W**

**Sd/-**

**CA Rishi Sekhri**

**Proprietor**

**Membership No. 126656**

**UDIN No. 23126656BGWIKV2557**

**Place: Mumbai**

**Date: 20-04-2023**

**RAJNISH WELLNESS LIMITED**  
(CIN: L52100MH2015PTC265526)  
**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2023**

(Amount in Rs. Lakhs)

Particular		Notes	AS at 31/03/ 2023	AS at 31/03/2022
<b>A</b>	<b>ASSETS</b>			
<b>1</b>	<b>Non-Current Assets</b>			
	a) Property, Plant and Equipment	3	4.56	2.71
	Intangible assets			-
	b) Financial Assets			
	(i) Investments			-
	(ii) Loans & Advances	4	2,757.36	55.39
	(iii) Trade Receivables			
	c) Deferred Tax Assets (net)		3.53	3.63
	d) Other Non-current Assets	5	3,354.00	13.89
	<b>Total Non-Current Assets</b>		<b>6,119.46</b>	<b>75.62</b>
<b>2</b>	<b>Current Assets</b>			
	a) Inventories		374.72	209.65
	b) Financial Assets			
	(i) Trade Receivables	6	2,018.60	1,620.04
	(ii) Loans & Advance			
	(ii) Cash & Bank Balance	7	34.30	91.48
	(iii) Others Financial Assets		-	-
	c) Other Current Assets	8	1,342.99	1,513.56
	<b>Total Current Assets</b>		<b>3,770.62</b>	<b>3,434.74</b>
	<b>Total Assets</b>		<b>9,890.08</b>	<b>3,510.36</b>
<b>B</b>	<b>EQUITY &amp; LIABILITIES</b>			
<b>1</b>	<b>Equity</b>			
	a) Equity Share Capital	9	7,684.75	1,051.58
	b) Other Equity	10	613.29	1,160.44
	c) Convertible equity warrants			-
	<b>Total Equity</b>		<b>8,298.04</b>	<b>2,212.02</b>
<b>3</b>	<b>Liabilities</b>			
	<b>Non-Current Liabilities</b>			
	a) Financial Liabilities			
	(i) Other Financial Liabilities	11	1,018.59	900.68
	<b>Total Non-current Liabilities</b>		<b>1,018.59</b>	<b>900.68</b>
	<b>Current Liabilities</b>			
	a) Financial Liabilities			
	(i) Trade Payables	12		
	Total outstanding dues of micro enterprises and small enterprises		-	7.16
	Total outstanding dues of other than micro enterprises and small enterprises		349.12	105.76
	b) Other Financial Liabilities	13	32.89	110.44
	c) Short Term Provisions	14	191.43	174.30
	<b>Total Current Liabilities</b>		<b>573.45</b>	<b>397.66</b>
	<b>Total Equity and Liabilities</b>		<b>9,890.08</b>	<b>3,510.36</b>

**Significant Accounting Policies & Notes on Financial Statements 1 to 31**

As per our report of even date attached

For Rishi Sekhri & Associates

Chartered Accountants

Firm Registration Number: 128216W

Sd/-

Rishi Sekhri

Proprietor

Membership No: 126656

UDIN:23126656BGWIKV2557

Place: Mumbai

Date: 20/04/2023

For Rajnish Wellness Limited

Sd/-

Rajnish Kumar Singh

Managing Director

DIN: 07192704

**RAJNISH WELLNESS LIMITED**  
(CIN: L52100MH2015PTC265526)  
Statement of Profit and Loss for the year ended 31<sup>st</sup> March 2023

(Amount in Rs. Lakhs)

Particulars	Note	Year Ended	Year Ended
		31/03/2023	31/03/2022
<b>Revenue from Operations</b>			
I. Revenue from Sales	15	2,582.61	2,643.70
II. Other Revenue Income	16	179.21	93.60
<b>III. Total Revenue from Operations</b>		<b>2,761.82</b>	<b>2,737.30</b>
<b>IV. Expenses:</b>			
Purchase of Stock-in-Trade		2,476.37	2,498.94
Change in inventories of finished goods, work in progress	1	(165.07)	(99.69)
Employee benefit expense	17	167.31	81.84
Financial costs	2	3.72	28.45
Depreciation and amortization expense		1.25	0.62
Other expenses	18	215.00	180.58
<b>Total Expenses</b>		<b>2,698.58</b>	<b>2,690.75</b>
Profit / (Loss) before exceptional and extraordinary items and tax		63.24	46.56
Exceptional Items		-	-
Provision for doubtful debts (w-back)			
V. Profit before tax (III - IV)		<b>63.24</b>	<b>46.56</b>
VI. Tax expense:			
(1) Current tax		17.13	7.36
(3) Deferred tax		0.10	-
XI. Profit (Loss) from the period from continuing operations		<b>46.01</b>	<b>39.20</b>
XII. Other comprehensive income:			-
(i) Items that will not be reclassified to Statement of Profit and Loss			-
(ii) Income tax relating to items that will not be reclassified to Statement of Profit and Loss			-
(iii) Items that will be reclassified to Statement of Profit and Loss			-
(iv) Income tax relating to items that will be reclassified to Statement of Profit and Loss			-
Total comprehensive income for the year			-
VII. Profit/(Loss) for the period (V - VI)		<b>46.01</b>	<b>39.20</b>
VIII. Earning per equity share:			
(1) Basic		0.01	0.37
(2) Diluted		0.01	0.37

**Significant Accounting Policies & Notes on Financial State**

As per our report of even date attached

For Rishi Sekhri & Associates

Chartered Accountants

Firm Registration Number: 128216W

Sd/-

Rishi Sekhri

Proprietor

Membership No: 126656

UDIN: 23126656BGWIKV2557

Place: Mumbai

Date: 20/04/2023

For and on Behalf of the Board of Directors of  
**RAJNISH WELLNESS LIMITED**

Sd/-

Rajnish Kumar Singh

Managing Director

DIN: 07192704

**RAJNISH WELLNESS LIMITED**  
(CIN: L52100MH2015PTC265526)  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023**

(Amount in Rs. Lakhs)

PARTICULARS				For the year ended 31/03/2023	For the year ended 31/03/2022
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>					
Net Profit after tax as per Statement of Profit & Loss				63.24	46.56
Adjustments for:					
(Profit) / Loss on Sale of Discard of Assets (Net)				-	-
Depreciation				1.25	0.62
Deferred Tax Assets				-	-
Other Income				-	-
Finance Cost				3.72	28.45
Exceptional Items/Provisions				-	-
<b>Operating Profit before working capital changes</b>		<b>A</b>		<b>68.21</b>	<b>75.63</b>
Adjustments for:					
(Increase)/ Decrease in Trade Receivables				(398.56)	59.74
Decrease/(Increase) in Long Terms Loans & Advance				(2,701.98)	4.61
(Increase)/ Decrease in Other Non-Current Asset				(3,340.12)	49.24
(Increase)/ Decrease in Inventories				(165.07)	(99.69)
(Increase)/ Decrease in Other Current Asset				170.57	4.49
Decrease /(Increase) in Other Long-Term Loan & Advances					(69.93)
Increase/ (Decrease) in Trade Payables				236.20	(96.27)
(Increase)/ Decrease in Other Current Liabilities				(77.54)	71.25
(Increase)/Decrease in Provision				17.13	7.10
<b>Cash generated from operations</b>				<b>(6,191.17)</b>	<b>6.17</b>
Net Income taxes (paid) / refunds				17.13	7.36
<b>Net cash from operating activities</b>		<b>B</b>		<b>(6,208.30)</b>	<b>(1.18)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>					
Sales / (Purchase) of Investment				(3.09)	(2.94)
Profit on Sale of investment					-
<b>NET CASH FROM INVESTING ACTIVITIES</b>		<b>C</b>		<b>(3.09)</b>	<b>(2.94)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>					
Proceeds from Issue of Share Warrants				1,510.00	-
Share Premium received from proceeds from issue of Share Warrants				4,530.00	-



Proceeds Form Issue of Share Warrants					117.91	-
Interest paid					(3.72)	(28.45)
Finance Cost						106.49
<b>NET CASH FROM FINANCING ACTIVITIES</b>		<b>D</b>			<b>6,154.19</b>	<b>78.04</b>
Net Increase in Cash & Cash Equivalent (A+B+C+D)					<b>(57.19)</b>	<b>73.92</b>
Opening Cash & Cash Equivalent	<b>i</b>				<b>91.48</b>	<b>17.56</b>
Closing Cash & Cash Equivalent	<b>ii</b>				<b>34.30</b>	<b>91.48</b>
Net Increase in Cash & Cash Equivalent (ii - i)					<b>(57.19)</b>	<b>73.92</b>

This is the Cash Flow referred to in our report of even date

**For Rishi Sekhri & Associates**

**Chartered Accountants**

**Firm Registration Number: 128216W**

Sd/-

**Rishi Sekhri**

**Proprietor**

**Membership No: 126656**

**UDIN: 23126656BGWIKV2557**

**For and on Behalf of the Board of Directors of  
RAJNISH WELLNESS LIMITED**

Sd/-

**Rajnish Kumar Singh**

**Managing Director**

**DIN: 07192704**

**Place: Mumbai**

**Date:20/04/2023**

The above Cash Flow Statement has been prepared under the Indirect method as set out in Indian Accounting Standard (IND AS-7).The amendments to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. The adoption of amendment did not have any material impact on the financial statements of the Company.

**RAJNISH WELLNESS LIMITED**  
Statement of Changes in Equity (SOCE) for the year ended March 31, 2023  
(All amounts in INR Lakhs, unless otherwise stated)

**A. Equity Share Capital**

**Amount in Rs Lakhs**

Particulars	As at April 1, 2022	Change in equity share capital during the year 2021-22	Balance at the end of the reporting period as at March 31, 2022	Change in equity share capital during the year 2022-23	Balance at the end of reporting period i.e., 31 <sup>st</sup> March, 2023
Equity Share	467.47	584.21	1,051.68	6,633.07	7684.75

**B. Other Equity**

Particulars	Securities Premium Reserve Account	Reserves & Surplus
		Retained Earnings
<b>Balance as at March 31, 2022</b>		
Balance at the beginning of the reporting period 1st April 2021	1,088.26	617.19
Utilized for the issue of Bonus Shares	-	584.21
Transfer to / (from) retained earnings	-	39.20
<b>Balance as at March 31, 2022</b>	<b>1,088.26</b>	72.18
<b>Balance as at March 31, 2023</b>		
Balance at the beginning of the reporting period 1st April 2022	1,088.26	72.18
Total Comprehensive Income for the year	4,530.00	46.01
Transfer to / (from) retained earnings	(5,123.16)	-
<b>Balance as at March 31, 2023</b>	<b>495.10</b>	<b>118.19</b>

**Significant Accounting Policies & Notes on Financial Statements 1 to 33**

For Rishi Sekhri & Associates  
Chartered Accountants  
Firm Registration Number: 128216W  
Sd/-  
Rishi Sekhri  
Proprietor  
Membership No: 126656  
UDIN: 23126656BGWIKV2557  
Place: Mumbai  
Date: 20/04/2023

For and on Behalf of the Board of Directors of  
**RAJNISH WELLNESS LIMITED**  
Sd/-  
Rajnish Kumar Singh  
Managing Director  
DIN: 07192704

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

### Note 4. LONG TERM LOANS AND ADVANCES

Particular	(Rs. In Lakhs)	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Investment	2,757.36	55.39
<b>Total</b>	<b>2,757.36</b>	<b>55.39</b>

### Note 5. OTHER NON-CURRENT ASSETS

Particular	As at	As at
	31st March, 2023	31st March, 2022
Deposits	3,286.96	
I.T. Refund Receivable		2.29
Advance tax and TDS	11.98	11.60
Prepaid Expenses	40.63	
Miscellaneous Expenses	14.44	
<b>Total</b>	<b>3,354.00</b>	<b>13.89</b>

### Note 6. TRADE RECEIVABLES

Particular	As at	As at
	31st March, 2023	31st March, 2022
<u>(Unsecured but considered good</u>		
Outstanding Over Six months		97.25
Others -Trades Receivable		1,522.79
<b>Total</b>	<b>2,018.60</b>	<b>1,620.04</b>
Less : Provision for Doubtful debts		
<b>Total</b>	<b>2,018.60</b>	<b>1,620.04</b>

### Note 7. CASH & CASH EQUIVALENTS

Particular	As at 31st March, 2023	As at 31st March, 2022
Cash on Hand	29.45	31.89
Bank balance with current accounts	4.84	59.60
<b>Totals</b>	<b>34.30</b>	<b>91.48</b>

Cash and Cash Equivalents includes deposits maintained by the Company with banks, which can be withdrawn by the Company at any point of time without prior notice or penalty on the principal.

### Note 8. SHORT TERM CAPITALGAIN

Particular	As at 31st March, 2023	As at 31st March, 2022
<b>Unsecured</b>		
Advance for Expenses		768.22
Advance to Creditors for Goods	1,325.56	745.35
GST Receivable	17.43	
<b>Total</b>	<b>1,342.99</b>	<b>1,513.56</b>

**Note 9. SHARE CAPITAL**

Particular	As at 31st March, 2023	As at 31st March, 2022
<b>AUTHORISED SHARE CAPITAL</b>		
100,00,00,000 (P.Y. 30,00,000) Equity Shares of Rs 1 each	10,000.00	1,100.00
	<b>10,000.00</b>	<b>1,100.00</b>
<b>ISSUED, SUBSCRIBED AND PAID UP</b>		
76,84,74,750 (P.Y. 1,05,15,822) Equity Shares of Re. 1 each, fully paid up	7,684.75	1,051.58
<b>Total</b>	<b>7,684.75</b>	<b>1,051.58</b>

**Note 9.2. Convertible Equity Warrants****Note 9.3 Reconciliation of the shares / warrants outstanding**

<b>i. Equity shares</b>				
Particular	As at 31st March, 2023		As at 31st March, 2022	
	Number of Shares	(In Rs.)	Number of Share	(In Rs.)
i. At the beginning of the period	10,515,822	10,515,822.00	4,673,700	46,737,000.00
ii. Warrants converted into shares during the period	15,100,000	15,100,000.00		
<b>Total shares after warrants</b>	<b>25,615,822</b>	<b>25,615,822.00</b>		
iii. Bonus shares issued during the year (2:1)	51,231,644	51,231,644.00	5,842,125	58,421,250.00
iv. Split into new FV	768,474,660	768,474,660.00		
<b>Outstanding at the end of the period</b>	<b>768,474,660</b>	<b>768,474,660.00</b>	<b>10,515,825</b>	<b>105,158,250.00</b>

**II. Convertible Equity Warrants**

Particular	As at 31st March, 2023		As at 31st March, 2022	
	Number of Share	(Rs. In Lakhs)	Number of Share	(Rs. In Lakhs)
i. At the beginning of the period	-	-	-	-
ii. Warrants Issued during the period	-	-	-	-
iii. Warrants converted in to equity shares during the period	-	-	-	-
<b>Outstanding at the end of the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Note. 9.4****Terms/Rights attached to equity shares**

- i) The Company has only one class of share capital, i.e. equity shares having face value of Re.1/- per share. Each holder of equity share is entitled to one vote per share, The equity shareholders are entitled to receive dividends as and when declared.
- ii) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the no. of equity shares held by the shareholder.

**Note. 9.5****Shareholders holding more than 5% of equity shares as at the end of the year:**

Name of the shareholders	As at 31-03-2023		As at 31-03-2022	
	Number of shares	Shareholding %	Number of shares	Shareholding %
Rajnish Kumar Singh	124,775,470	16.24%	4,611,949	43.86

**Note. 9.6****Disclosure of Shareholding of Promoters****Disclosure of Shareholding of Promoters as at March 31, 2022 is as follows**

Name of the shareholders	As at 31-03-2022		As at 31-03-2022		% Change during the year
	Number of shares	Shareholding %	Number of shares	Shareholding %	
Rajnish Kumar Singh	124,775,470	16.24	4,611,949	43.86	(27.62)
<b>Total</b>	<b>124,775,470</b>	<b>16.24</b>	<b>4,611,949.00</b>	<b>43.86</b>	<b>(27.62)</b>

**Note. 10 OTHER EQUITY**

Particular	As at	As at
	31st March, 2023	31st March, 2022
<b>A. Capital reserve</b>		
- Balance at beginning of the year		
Add: Profit for current year		
<b>Balance at the end of the year</b>	<b>-</b>	<b>-</b>
<b>B. Security Premium Account</b>		
- Balance at beginning of the year	1,088.27	1,088.26
Add: Additions during the Year	4,530.00	
Less: Capitalization for issue of Bonus Shares	5,123.16	-
<b>Balance at the end of the year</b>	<b>495.11</b>	<b>1,088.26</b>
<b>C. Statement of Profit &amp; Loss A/c</b>		
Balance as per the last financial statements	72.18	617.19
Less: Utilization for Bonus	-	584.21
Add: amount transferred from surplus balance in the statement of profit and loss	46.01	39.20
<b>Closing Balance</b>	<b>118.19</b>	<b>72.18</b>
<b>Total Other Equity (A+B+C)</b>	<b>613.29</b>	<b>1,160.44</b>

i) The Trade Payable ageing for the year ended March 31, 2022 and March 31, 2021 is as per note No. 28

ii) The Company has not received any memorandum (as required to be filed by the Supplier with the notified authority) under the Micro, Small and Medium Enterprises Development Act, 2006 claiming their status as on 31st March 2022 as Micro, Small or Medium Enterprises. Consequently, the amount paid / payable to these parties during the year is NIL

**Note. 12 LONG TERM LOANS AND ADVANCES**

Particular	(Rs. In Lakhs)	
	As at	
	31st March, 2023	31st March, 2022
<b>Secured Loan</b>		
State Bank of India CC	51.41	99.72
State Bank of India CC	-	0.87
State Bank of India WCTL	406.17	64.96
State Bank of India FITL	40.54	431.84
<b>Unsecured Loan</b>		
Term Loan from Banks	21.36	36.74
Term Loan from Others	19.11	73.29
<b>Total</b>	<b>538.59</b>	<b>707.42</b>

**SHORT TERM BORROWINGS**

Particular	As at	
	As at	
	31st March, 2023	31st March, 2022
<b>Unsecured pending</b>		
Loan from Directors	480.00	146.50
Unsecured		
- From Banks		
- From Others	-	46.76
Secured		
- From Banks		
<b>Total</b>	<b>480.00</b>	<b>193.26</b>

**Note. 13 OTHER CURRENT LIABILITIES**

Particular	As at	
	As at	
	31st March, 2023	31st March, 2022
Advances from Customers		
Creditors for Expenses	7.47	88.19
TDS Payable	25.01	21.93
Profession Tax Payable	0.42	0.32
Audit Fees Payable	-	-
<b>Total</b>	<b>32.89</b>	<b>110.44</b>

The provision of all known liabilities is adequate and not in excess of the amount reasonably necessary.

**Note. 14 SHORT TERM PROVISIONS**

Particular	Year Ended 31st March, 2023	Year Ended 31st March, 2022
Provision for Tax (Net of Taxes)	191.43	174.30
<b>Total</b>	<b>191.43</b>	<b>174.30</b>

**Note. 15 REVENUE FROM OPERATION**

Particular	Year Ended 31st March, 2023	Year Ended 31st March, 2022
Sales	2,502.61	2,643.70
Health Checkup Services	80.00	-
<b>Total</b>	<b>2,582.61</b>	<b>2,643.70</b>

**\*1 CHANGES IN INVENTORIES OF STOCK-IN-TRADE**

Particular	Year Ended 31st March, 2023	Year Ended 31st March, 2022
Opening Stock	209.65	109.96
Less: Closing Stock	374.72	209.65
<b>Total</b>	<b>(165.07)</b>	<b>(99.69)</b>

**Note. 16 OTHER INCOME**

Particular	Year Ended 31st March, 2023	Year Ended 31st March, 2022
Loan Settlement Account	63.24	66.81
Interest Income	1.42	-
Sundry Balance Written off	114.49	2.72
Commission Income	0.06	-
Discount Received	-	9.26
Delivery Charges	-	14.81
<b>Total</b>	<b>179.21</b>	<b>93.60</b>

**Note. 17 EMPLOYEE BENEFIT EXPENSE**

Particular	Year Ended 31st March, 2023	Year Ended 31st March, 2022
Salaries & Wages	157.97	68.12
Directors Remuneration	5.43	10.73
Staff Welfare	3.92	2.99
<b>Total</b>	<b>167.31</b>	<b>81.84</b>

## 2 FINANCE COST

Particular	Year Ended 31st March, 2023	Year Ended 31st March, 2022
Interest Paid on Loan	3.72	27.48
Other Borrowing costs	-	2.90
<b>Total</b>	<b>3.72</b>	<b>30.38</b>

### Note. 18 OTHER EXPENSES

Particular	Year Ended 31st March, 2023	Year Ended 31st March, 2022
Rent	26.08	17.18
Courier Expenses and Freight	11.07	2.93
Packing Material	1.52	0.81
Advertisement Expenses	59.67	75.05
Brokerage and Commission	0.25	
Electricity Expenses	6.60	
GST Paid (GST Audit)	10.72	
Health Care Service (Expenses)	20.00	
Miscellaneous Expenses	23.31	
Repair and Maintenance	1.70	
Travelling Expenses	8.84	
Payment to Auditors	1.10	1.00
Legal & Professional Fees	12.45	16.79
ROC Filing Fees	2.36	4.71
BSE / NSDL / CDSL Listing Expenses	29.34	
Prior Period Expenses	-	35.56
Income Tax Earlier Years	-	8.33
		18.22
<b>Total</b>	<b>215.00</b>	<b>180.58</b>

### Note. 17 EARNING PER SHARES

Particular	Year Ended 31st March, 2023	Year Ended 31st March, 2022
Net Profit After taxation	46.01	39.20
Weighted Average number of Equity Shares	768,474,660.00	10,515,825.00
Add: Dilutive Potential Equity Shares	-	-
Number of Equity Shares for Dilutive EPS	768,474,660.00	10,515,825.00
Nominal Value of Shares	1.00	10.00
Basic Earnings Per Share	0.0060	0.37
Diluted Earnings Per Share	0.0060	0.37



**Note. 18 PROVISIONS AND CONTINGENT LIABILITIES**

A provision is recognized when the Company has present obligation as a result of past events and it is probable that an outflow of resources will be required to settle such obligation, in respect of which a reliable estimate can be made. Contingent liabilities not provided for in the accounts are disclosed in the account by way of notes specifying the nature and quantum of such liabilities.

Under the Income Tax Act, 1961, assessment of income for the various assessment years have taken place under the Income Tax Act, 1961. As a result, a total demand of Rs. 406.69 Lacs has arisen under various matters. Considering the nature of additions made and recent judicial pronouncements, there are good chances that the additions shall be deleted in the appropriate proceedings and therefore no provision in this respect has been made in respect of outstanding demand.

**Note.19 EMPLOYMENT BENEFITS**

Provision for Gratuity, Leave Encashment and bonus has not been made as none of the employee have completed the minimum qualified period of services.

**Note. 20 AUDITOR REMUNERATION**

Particular	Year Ended	Year Ended
	31st March, 2023	31st March, 2022
Audit Fees	3.00	1.00
Other Services	-	-
	<b>3.00</b>	<b>1.00</b>

**Note. 21 SEGMENT REPORTING**

The Company has only one segment of activity during the year, hence segment wise reporting as defined in accounting standard 17 is not applicable.

**Note 22. RELATED PARTY TRANSACTION**

As per Indian Accounting Standard 24 (Ind AS-24) 'Related Party Transactions' as prescribed by Companies (Indian Accounting Standards) Rules, 2015, the Company's related parties and transactions are disclosed below:

a)

Rajnish Kumar Singh (Managing Director)
Abhinandan Ashok Palliwal (Independent Director)
Madhukar Imade (Independent Director) up to May 09, 2023
Richa Dua (Independent Director) up to June 01, 2023
Sanjjari Sanju Kashyap (Independent Director)
Moonam Kapoor (Independent Director)
Preeti Garg (Independent Director) w.e.f September 07, 2022
Swati Jain (Non- Executive Non- Independent Director) w.e.f. May 09, 2023
Saloni Mehra (Non- Executive Non- Independent Director) w.e.f. May 09, 2023
Mihir Shrenik Patwa (Chief Financial Officer)
Anupama Kashyap – (Company Secretary) w.e.f. June 01, 2022

b) Promoters of the company having significant influence on the Company directly or indirectly

(Rs. In Lakhs)

c) Details of transactions during the year and closing balances at the year end

Nature of Transaction	KMP	Total
Remuneration to KMP- short term employment-CFO	10.80	10.80
Remuneration to KMP- short term employment-CS	1.68	1.68

#### **Note 23. CSR ACTIVITY**

As per the Companies Act, 2013, all companies having a net worth of Rs. 500 crore or more, or a turnover of Rs. 1000 crore or more or a net profit of Rs. 5 crore or more during any financial year are required to constitute a CSR Committee of the Board of Director comprising three director. All such companies are required to spend at least 2% of the average net profit of their three immediately preceding financial years on CSR-related activities. Accordingly, the Company was not required to spend amount towards CSR activities.

#### **Note 24.**

Balances in the accounts of debtors, creditors and contracts and contractors, certain Bank Accounts are taken subject to confirmation and reconciliation and only upon such confirmation and reconciliation, the entries for discounts, claims and writing off sundry balances etc. will be recorded in the books.

#### **Note 25.**

In the absence of detailed information from Small Scale and Ancillary Undertaking, included under the head Sundry Creditors dues there from are not ascertained as on the date of Balance Sheet.

#### **Note. 26 OTHER INFORMATION**

- i) In the opinion of the management, the current assets and loans & advances are approximately of the value stated, if realized / paid in the ordinary course of business. The provision for all known liabilities is adequate and is not in excess of amounts considered reasonably necessary.
- ii) Balances grouped under noncurrent Liabilities, Current Assets, and Noncurrent assets in certain cases are subject to confirmation and reconciliation from respective parties, impact of the same, if any, and shall be accounted as when determined.

#### **Note. 27 OTHER INFORMATION REQUIRED UNDER PART I AND PART II OF SCHEDULE III OF COMPANIES ACT 2013, ARE EITHER NIL OR NOT APPLICABLE**

#### **Note. 31**

The previous year figures have been regrouped, rearranged wherever necessary.

**As per our report of even date attached**

**For Rishi Sekhri & Associates**

**Chartered Accountants**

**Firm Registration Number: 128216W**

**Sd/-**

**Rishi Sekhri**

**Proprietor**

**Membership No: 126656**

**UDIN: 23126656BGWIKV2557**

**For and on Behalf of the Board of Directors of  
RAJNISH WELLNESS LIMITED**

**Sd/-**

**Rajnish Kumar Singh**

**Managing Director**

**DIN: 07192704**

**Place: Mumbai**

**Date: 20/04/ 2023**

## ACCOUNTING RATIOS

The following tables present certain accounting and other ratios derived from the Audited Financial Information for the Financial Years ending March 31, 2023 and March 31, 2022, and March 31, 2021. For further details please refer to the section titled '**Financial Information**' beginning on page 60 of this Draft Letter of Offer.

### ACCOUNTING RATIOS

Particulars	Amount (in Lakhs)		
	Based on Audited Financial Statements for the Financial Year ending March 31,		
	2023	2022	2021
Basic earnings per Equity Share (₹)	0.01	0.37	0.21
Diluted earnings per Equity Share (₹)	0.01	0.37	0.21
Return on Net Worth (%)	0.005	0.014	0.0062
Net Asset Value per Equity Share (₹)	1.15	2.57	3.40
EBITDA (₹)	<b>68.21 Lakhs</b>	<b>75.63 Lakhs</b>	<b>47.5 Lakhs</b>

The formula used in the computation of the above ratios are as follows:

Particular	Computation of Formulas
Basic earnings per Equity Share (₹)	(Net Profit after Tax as per Statement of Profit and Loss attributable to Equity Shareholders after exceptional item, as applicable) / (Weighted Average number of Equity Shares);
Diluted earnings per Equity Share (₹)	(Net Profit after Tax as per Statement of Profit and Loss attributable to Equity Shareholders after exceptional item, as applicable) / (Weighted Average number of Equity Shares (including convertible securities));
Return on Net Worth (%)	(Profit for the Year as per Statement of Profit and Loss attributable to Equity Shareholders (prior to other comprehensive income)) / (Net worth at the end of the year);
Net Asset Value per Equity Share (₹)	(Net Worth) / (Number of Equity Shares outstanding for the year);
EBITDA (₹)	Profit for the year before finance costs, tax, depreciation, amortization and exceptional items as presented in the statement of profit and loss

#### Calculation of Return on Net Worth (%)

Particulars	Based on Audited Financial Statements for the Financial Year ending March 31,		
	2023	2022	2021
Profit for the Year as per Statement of Profit and Loss attributable to Equity Shareholders (₹ lakhs) (A)	46.01	39.20	9.97
Net worth at the end of the year (₹ lakhs) (B)	8,911.31	2,707.12	1,593.28
<b>Return on Net Worth (%) [(A)/(B)]</b>	<b>0.005</b>	<b>0.014</b>	<b>0.0062</b>

#### Calculation of Net asset value per Equity Share

Particulars	Based on Audited Financial Statements for the Financial Year ending March 31,		
	2023	2022	2021
Net Worth (₹) (A)	8,298.04	2,212.02	1,593.28
Number of issued, subscribed and fully paid-up Equity Shares outstanding as at the year ended (Numbers) (B)	7,684.75	1,051.58	467.37
<b>Net Asset Value per Equity Share (₹) [(A)/(B)]</b>	<b>1.079</b>	<b>2.104</b>	<b>3.40</b>

#### Calculation of Net Worth:

Particulars	Based on Audited Financial Statements for the Financial Year ending March 31,		
	2023	2022	2021
Equity Share capital (₹) (A)	7,684.75	1,051.58	2,172.82
Reserves and Surplus (₹) (B)	613.28	1,160.44	(579.54)
<b>Net Worth (₹) [(A)+(B)]</b>	<b>8,298.03 Lakhs</b>	<b>2,212.02 Lakhs</b>	<b>1,593.28 Lakhs</b>

#### Calculation of EBITDA

Particulars	Based on Audited Financial Statements for the Financial Year ending March 31,		
	2023	2022	2021
Net Profit/ (loss) after tax (₹) (A)	46.01	39.20	9.97
Income tax expenses (₹) (B)	17.23	7.36	1.58
Finance Cost (₹) (C)	3.72	28.45	30.38
Depreciation and amortization expense (₹) (D)	1.25	0.62	5.57
<b>EBITDA (₹) (A+B+C+D)</b>	<b>68.21</b>	<b>75.63</b>	<b>47.5</b>

## STOCK MARKET DATA FOR EQUITY SHARES OF OUR COMPANY

Our Company's Equity Shares are listed on BSE Limited; and the Rights Shares issued pursuant to this Issue will be listed on both the BSE Limited. For further details, please refer to the section titled '*Terms of the Issue*' on page 98 of this Draft Letter of Offer.

Our Company shall receive an in-principal approval for listing of the Rights Shares on the BSE Limited to be issued pursuant to this Issue from BSE Limited by letter dated [●]. Our Company shall also make applications to both the BSE Limited to obtain trading approval for the Rights Entitlements as required under the SEBI Rights Issue Circulars.

For the purpose of this section, unless otherwise specified:

1. Year is a Financial Year;
2. Average price is the average of the daily closing prices of the Equity Shares for the year, or the month, as the case may be;
3. High price is the maximum of the daily high prices and low price is the minimum of the daily low prices of the Equity Shares, as the case may be, for the year, or the month, as the case may be; and
4. In case of two days with the same high / low / closing price, the date with higher volume has been considered.

### STOCK MARKET DATA OF THE EQUITY SHARES

The high, low and average prices recorded on the BSE, during the preceding 3 (Three) Financial Years and the number of the Equity Shares traded on the days of the high and low prices were recorded are as stated below:

Financial Year	Date of High	High (₹)	Volume on date of High (Number of Equity Shares)	Date of Low	Low (₹)	Volume on date of low (Number of Equity Shares)	Average price for the year (₹)
2022-2023	Tuesday, January 17, 2023	₹20.50/-	19,15,988	Monday, October 10, 2022	₹5.75/-	12,78,611	₹13.12/-
2021-2022	Thursday, March 31, 2022	₹2.81/-	21,600	Friday, April 01, 2021	₹0.18/-	2,400	₹1.49/-
2020-2021	Monday, July 07, 2020	₹0.29/-	2,400	Friday, May 06, 2020	₹0.17/-	9,600	₹0.23 /-

Source: [www.bseindia.com](http://www.bseindia.com)

The high, low and average prices recorded on the BSE, during the last 6 (Six) months and the number of the Equity Shares traded on the days of the high and low prices were recorded are as stated below:

Month	Date of High	High (₹)	Volume (Number of Equity Shares)	Date of Low	Low (₹)	Volume (Number of Equity Shares)	Total number of days of trading
July 2023	July 03, 2023	15.5	31,53,217	July 21, 2023	12.6	25,71,803	21
June 2023	June 12, 2023	17.2	82,00,872	June 01, 2023	12.74	37,55,240	21
May 2023	May 03, 2023	14.88	39,20,312	May 31, 2023	12.14	1,16,84,935	23
April 2023	April 03, 2023	17.4	24,06,954	April 26, 2023	12.26	26,03,068	19
March 2023	March 01, 2023	18.74	4,75,914	March 28, 2023	15.28	322,191	21
February 2023	February 10, 2023	20.2	48,52,559	February 06, 2023	17.7	21,99,271	19

Source: [www.bseindia.com](http://www.bseindia.com)

The high, low, and average prices recorded on the BSE, during the last 4 (Four) weeks and the number of the Equity Shares traded on the days of the high and low prices were recorded are as stated below:

Week ended on	High Price (₹)	Date of High	Low Price (₹)	Date of Low
July 07, 2023	15.5	Monday, July 03, 2023	13.8	Wednesday, July 05, 2023
July 14, 2023	14.87	Friday, July 14, 2023	13.6	Tuesday, July 11, 2023
July 21, 2023	14.4	Monday, July 17, 2023	12.6	Friday, July 21, 2023
July 28, 2023	13.55	Thursday, July 27, 2023	12.8	Friday, July 28, 2023

Source: [www.bseindia.com](http://www.bseindia.com)

The Issue Price of ₹ [●]/- per Equity Share has been arrived by the Board of Directors.

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*The following discussion is intended to convey our management's perspective on our financial condition and results of our operations. Our Financial Year commences on April 1 and ends on March 31 of the following year, so all references to a particular Financial Year or a Fiscal are to the 12 months ended March 31 of that year.*

*You should read the following discussion of our financial condition and results of operations together with our audited consolidated financial statements as of and for the Financial Year ending March 31, 2023, and March 31, 2022, included in this Draft Letter of Offer. Our audited financial statements for the Financial Year ending March 31, 2023, and March 31, 2022 are prepared in accordance with Ind AS.*

*Unless otherwise stated, the financial information used in this chapter is derived from the Audited Financial Statement of our Company.*

*This discussion may include certain forward-looking statements that involve risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors or contingencies, including those described below and in the 'Forward-Looking Statements' on page 13 of this Draft Letter of Offer. Also see 'Risk Factors' beginning on page 16 of this Draft Letter of Offer, for a discussion of certain factors or contingencies that may affect our business, financial condition, or results of operations.*

### Overview of Our Business

Our Company is currently engaged in the business of selling various products in the categories ranging from pharmaceutical products, consumer durables to ayurvedic personal care products. Company's major focus area is Pharmaceutical, sexual wellness, energy revitalization and personal care products. Changing lifestyle and awareness of health and wellness leads to increase in demand for sexual wellness and energy revitalization products. Current product portfolio is concentrated on Pharma and ayurvedic products.

Our Company having foreseen the business opportunities and rapid increase in the number of people using internet as a platform for their buying their medicines and other healthcare and personal care products we came up with an idea of 'DAVA DISCOUNT'. The Company has started with the franchise model under the brand name "DAVA DISCOUNT". ***'Dava Discount' is supplying all the pharmaceutical products throughout the country with its Dava Discount franchisee. Our business objective is to provide all branded medicines at a discounted/reasonable/competitive price for public at large.*** To expand the franchise model the Company has entered into multiple franchise agreement across India. We also continue to have a tie up with various e-commerce websites like snapdeal.com, indiamart.com, clickoncare.com, lovenaturalremedies.com, ayurvedmart.com and fineyog.com etc. to sell the products. Also, our Company has established a pharma centric platform of Dava Discount to focus more on this model i.e., <https://davadiscount.com/>.

Our Company has a PAN India presence. We run on asset light model and owns all the brands under its name. We are sourcing our all products from dedicated manufacturers since inception. Our Company has outsourced all its manufacturing needs to various suppliers who are expert in particular product in India which enables company to adhere to the required specifications and quality in stipulated time. Our Company has entered into several franchise across India and has also received in principal approval from Eastern Railways for setting up business centers at 500 plus stations across Tier I, II and III cities. Our Company has a presence in over 21 states with over 500 super stockiest and 10000 distributors having presence in more than 100,000 medical stores pan India.

### Significant Developments Subsequent to the Last Financial Year

In the opinion of the Board of Directors of our Company, since the date of the last financial statements disclosed in this Draft Letter of offer, there have not arisen any circumstance that materially or adversely affect or are likely to affect the profitability of our Company or the value of its assets or its ability to pay its material liabilities within the next twelve months except as follows:

1. The company has undergone sub-division/split of equity shares having face value of Rs. 2 /-(Rupees Two only) each into 2 (Two) equity shares of Rs. 1/- (Rupees One only) Shares on December 29, 2022.

### Principal Factors affecting our Financial Condition and Results of Operations

Our financial condition and results of operations are affected by numerous factors and uncertainties, including those discussed in the section 'Risk Factors' on page 16 of this Draft Letter of Offer. The following is a discussion of certain factors that have had, and we expect will continue to have, a significant effect on our financial condition and results of operations:

#### Continued impact of COVID-19

- the value, perception and marketing of our products;
- General economic and business conditions;
- Company's inability to successfully implement its growth and expansion plans;
- Increasing competition;
- Economic, Income and Demographic condition in India;
- Changes in laws and regulations that apply to Industry in which we operate;
- Any change in the tax laws granting incentives to Industry in which we operate;
- Dependency on our customers for adaptability of our products;
- Interest Rates

## **SIGNIFICANT ACCOUNTING POLICIES**

### **i. Basis for Preparation:**

These financial statements are prepared in accordance with Indian Accounting Standards ('Ind AS') as notified under Section 133 of the Companies Act, 2013, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

These financial statements have been prepared and presented under the historical cost convention, on the accrual and going concern basis of accounting except for the certain financial assets and financial liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies set out below.

The accounting policies have been applied consistently over all the periods presented in these financial statements.

### **ii. Functional and presentation currency**

These consolidated financial statements are presented in Indian Rupees (Rs.), which is also the functional currency. All amounts have been rounded-off to the nearest lakhs, unless otherwise stated.

### **iii. Key accounting estimates and judgments**

The preparation of the financial statements requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The preparation of the financial statements requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

### **iv. Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and demand deposits with banks which are short-term, highly liquid investments that are ready convertible into known amounts of cash, and which are subject to insignificant risk of change in value.

### **v. Employees Benefits**

#### **a) Short term employee benefits**

All employees' benefits payable wholly within twelve months rendering services are classified as short-term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc., and the expected cost of bonus, ex-gratia are recognized during the period in which the employee renders related service.

#### **b) Termination benefits**

Termination benefits are recognized as an expense in the period in which they are incurred.

### **vi. Foreign currency transactions**

#### **a) Functional and presentation Currency**

The Company's financial statements are presented in INR, which is also the Company's functional and presentation currency.

#### **b) Transaction and Balance**

Exchange differences arising on foreign exchange transactions settled during the year are recognized in the Statement of profit and loss of the year.

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rates on that date. The resultant exchange differences are recognized in the Statement of profit and loss.

Non-Monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transactions.

### **vii. Revenue recognition**

Revenue is recognized to the extent that it is possible that the economic benefits will flow to the company and the revenue can be reliably measured.

## **viii. Provisions and contingencies**

### **a) Provisions**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation. Provisions are reviewed at each reporting period and are adjusted to reflect the current best estimate.

### **b) Contingencies**

A disclosure for contingent liability is made when there is possible obligation arising from past event the existence of which will be confirmed only by the occurrence or non- occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

A disclosure for contingent assets is also made when there is possibility of an inflow of economic benefits to the entity which arise from unplanned or other unexpected events.

Contingent liabilities and contingent assets are reviewed at each balance sheet date.

## **ix. Earnings per share**

Basic earnings per share are computed using the net profit for the year attributable to the shareholders' and weighted average number of shares outstanding during the year.

## **x. Income Taxes**

Income tax comprises current tax (including MAT) and deferred tax. Income tax expenses is recognized in net profit in statement of Profit and loss extent to the extent that it relates to items recognized directly in other comprehensive income/equity, in which case it is recognized in other comprehensive income/equity.

Current Tax is the amount of tax payable on the estimated taxable income for the current year as per the provisions of Income Tax Act, 1961. Current tax asset and liabilities are offset when company has a legally enforceable right to set off the recognized amount and also intends to settle on net basis.

Deferred income tax assets and liabilities are recognized for deductible and taxable temporary difference arises between the tax bases of assets and liabilities and their carrying amount in the financial statement.

Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that sufficient taxable profit will be available against which those deductible temporary differences can be recognize. Deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax is measured at the tax rates and tax law that that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the year in which those temporary difference is expected to be recovered or settled.

## **xi. Financial instruments**

### **Initial measurement**

Financial instrument is recognized as soon as the company becomes a party to the contractual provision of the instruments. All Financial assets and financial liabilities are measured at fair value on initial recognition, except for trade receivable which are initially measured at transaction price. Transaction cost that are directly attributable to the acquisition or issue of financial instrument (other than financial measured at fair value through profit or loss) are added or deducted from the value of the financial instrument, as appropriate, on initial recognition.

Financial Instrument sated as financial assets or financial liabilities are generally not offset, and they are only offset when a legal right to set off exist at that and settlement on a net basis is intended.

### **Subsequent measurement**

#### **Financial assets:**

Subsequent measurement of financial assets depends on their classification as follows:



**a) Financial asset carried at amortized cost**

A financial asset is subsequently measured at amortized cost if it is held within business model whose objective is to hold the asset in order to collect contractual cash flow and the contractual term of the asset give rise on specified dates to cash flow that are solely payment of principal and interest on the principal amount outstanding.

**b) Financial asset carried at Fair Value through other comprehensive income**

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flow and selling financial asset the contractual term of the asset give rise on specified dates to cash flow that are solely payment of principal and interest on the principal amount outstanding.

For all other equity instrument, the company make irrevocable election to present in other comprehensive income subsequent change in fair value. The company makes such election on an instrument- to- instrument basis.

**c) Financial asset carried at Fair Value through Profit and loss**

A financial asset which is not classified in any of the above category is subsequently measured at fair value through profit and loss.

**Financial liabilities and equity instruments:**

Debts and equity instruments issued by a company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement and the definition of a financial liability and an equity instrument.

**a) Equity Instruments**

An equity instrument is any contract that an evidence and residual interest in the assets of the company after deducting all of its liabilities. Equity instruments issued by the company are recognized at the proceeds received, net of direct issue costs.

**b) Financial Liabilities**

All Financial liabilities are subsequently measured at amortized cost using the Effective interest method.

**De-recognition of financial Instrument: -**

A financial asset is primarily derecognized when the contractual right to the cash flow from the financial asset expires and it transfers the financial asset. A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

**Impairment**

**A. Financial Asset**

The Company measures the expected credit loss associated with its assets based on historical trend, industry practices and the business environment in which the entity operates or any other appropriate basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

**B. Non-Financial Asset**

**a) Property, plant and equipment and Intangible asset**

The carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amount is estimated as higher of its net selling price and value in use. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in the statement of profit and loss.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortization, had no impairment loss been recognized. Post Impairment, depreciation/amortization is provided on the revised carrying value of the impaired assets over its remaining useful life.

**Critical accounting estimates, assumptions and judgments:**

In the process of applying the Company's accounting policies, management has made the following estimates, assumptions and judgements, which have significant effect on the amounts recognized in the financial statement. Uncertainty about these assumptions and estimates could result in outcome that require a material adjustment to assets or liabilities affected in future periods.

**i) Property, plant and equipment**

Property, Plant and equipment represent at proportion of the asset base of the company. The useful lives and residual value of the company's asset are determined by the management at the time the asset is acquired and reviewed at each reporting date.

**ii) Income taxes**

The Company's tax jurisdiction is India. Significant judgements are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions

**iii) Contingencies**

Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/claim/litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

**iv) Allowance for uncollected accounts receivable and advances**

Trade receivables do not carry any interest and are stated at their normal value as reduced by appropriate allowances for estimated irrecoverable amounts. Individual trade receivables and advances are written off when management deems them not to be collectible. Impairment is made on the expected credit losses, which are the present value of the cash shortfall over the expected life of the financial assets.

**v) Impairment of non-financial assets**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an assets or CGU's fair value less costs of disposal and its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

**vi) Impairment of financial assets**

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

**vii) Fair value measurement of financial instruments**

When the fair values of financials assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques, including the discounted cash flow model, which involve various judgements and assumptions.

**Disclosures about Financial Risk**

**i. Market risk**

We are exposed to market risks in the ordinary course of our business. Market risk represents the risk of loss that may impact our financial position due to adverse changes in financial market prices and rates. Our market risk comprises three types of risks (i) interest rate risk; (ii) foreign currency risk; and (iii) price risk.

• **Interest Rate Risk**

Interest rate risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Our exposure to the risk of changes in market interest rates relates primarily to our borrowings with floating interest rates.

• **Price risk**

We invest our surplus funds in various debt instruments, debt mutual funds and fixed deposits. These primarily comprise debt based mutual funds, debentures and fixed deposits. Mutual fund investments are susceptible to market risk, mainly arising from changes in the interest rates or market yields which may impact the return and value of such investments.

• **Foreign exchange risk**

The Indian Rupee is our reporting currency. Consequently, our results are presented in Indian Rupee and exposures are managed against Indian Rupee accordingly. Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. Our exposure to the risk of changes in foreign exchange rates relates primarily to our operating activities where our revenue or expense is denominated in a foreign currency.

**ii. Credit risk**

- Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or contract, leading to a financial loss. We are exposed to credit risk from our operating activities, primarily trade receivables, and from our investing activities, including deposits with banks.
- We have established an allowance for impairment that represents expected credit losses in respect of trade and other receivables. The management uses a simplified approach for the purpose of computation of expected credit loss for trade receivables and 12-month expected credit loss for other receivables.
- An impairment analysis is performed at each reporting date on an individual basis for major parties. The calculation is based on historical data of actual losses. We also carry credit risk on lease deposits with landlords for properties taken on leases, for which agreements are signed

and property possessions are taken for operations. The risk relating to refunds after vacating the premises is managed through successful negotiations or appropriate legal actions, where necessary.

- Credit risk on cash and cash equivalents, other deposits with financial institutions and other financial investments is limited as the financial institutions with which we deposit cash and of the instruments in which we invest have high credit ratings, based on external credit rating agencies. Accordingly, we consider the related credit risk to be low.
- We have a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. All of our investments and loans at amortized cost are considered to have low credit risk, and the loss allowance recognized during the period was therefore limited to 12 months expected losses. We consider instruments to be low credit risk when they have a low risk of default, and the issuer has the capacity to meet its contractual cash flow obligations in the near term.

**iii. Liquidity risk**

- Our objective is to provide financial resources to meet our business objectives in a timely, cost effective and reliable manner. We maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, working capital loans and others. Our treasury maintains flexibility in funding by maintaining liquidity through investments in liquid funds and fixed deposits. We monitor our risk of shortage of funds using cash flow forecasting models. These models consider the maturity of financial investments, committed funding and projected cash flows from operations.

**iv. Competition Risk**

- This risk arises from more players wanting a share in the same pie. Like in most other industries, opportunity brings with itself competition. We face different levels of competition in each segment, from domestic as well as multinational players. However, Rajnish Wellness Limited has established strong brand goodwill in the market and a strong foot hold in the entire Ayurvedic Medicine spectrum.

**v. Regulatory Risk**

- If we are unable to obtain required approvals and licenses in a timely manner, our business and operations may be adversely affected. However, the Government has come up with a number of initiatives to boost the healthcare sector and has planned massive investments in the infrastructure sector.
- As all industry predictions suggest that this will be the trend in the future as well and given our own experience in obtaining such permissions, we do not expect this risk to affect us materially in the coming years.

**vi. Liability Risk**

- This risk refers to our liability arising from any damage to transported goods and third parties which may adversely affect our business. The Company attempts to mitigate this risk through contractual obligations. As a diversified enterprise, your Company continues to focus on a system-based approach to business risk management. A strong and independent Internal Audit function at the corporate level carries out risk focused audits across all businesses, enabling identification of areas where risk management processes may need to be strengthened.

## **RISK MANAGEMENT AND CONCERNS**

### **Internal Control Systems and their adequacy**

The Company has an effective and reliable internal control system commensurate with the size of its operations which are constantly assessed. The efficacy of the internal checks and control systems is validated by internal as well as statutory auditors. The Audit Committee reviews the internal audit plan, adequacy, and effectiveness of the internal control system. It also reviews functioning of the Whistle Blower mechanism and monitors the action taken on the cases reported. The Audit Committee of the Board of Directors, Statutory Auditors and the Business Heads are periodically apprised of the internal audit findings and corrective actions taken. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee.

The company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation was observed. The Audit Committee of Directors periodically reviews the significant findings of audits, as prescribed in the Companies Act, 2013 and in the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

**SUMMARY RESULTS OF OPERATIONS**  
**RAJNISH WELLNESS LIMITED**  
**Statement Of Profit and Loss for the Year Ended 31<sup>st</sup> March, 2023**

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	For the year ended 31.03.2023 Amt in Rs. Lakhs	For the year ended 31.03.2022 Amt in Rs. Lakhs	Change (Rs.)	Change (%)
<b>INCOME</b>				
Revenue from operations	2,582.61	2,643.70	(61.09)	(2.3)
Other Income	179.21	93.60	85.61	91.5
<b>Total Income</b>	<b>2,761.82</b>	<b>2,737.30</b>	<b>24.52</b>	<b>0.9</b>
<b>EXPENSES</b>				
Purchase of Stock-in-Trade	2,476.37	2,498.94	(22.57)	(0.9)
Change in inventories of finished goods, work in progress	(165.07)	(99.69)	(65.38)	(65.6)
Employee benefit expense	167.31	81.84	85.47	104.4
Financial costs	3.72	28.45	-24.73	-86.9%
Depreciation and amortization expense	1.25	0.62	0.63	101.6%
Other expenses	215.00	180.58	34.42	19.1%
<b>Total Expense</b>	<b>2,698.58</b>	<b>2,690.75</b>	<b>7.83</b>	<b>0.3%</b>
Profit before exceptional and extraordinary items and tax	63.24	46.56	16.68	35.8%
Exceptional Items	-	-	-	-
Profit before extraordinary items and tax	-	-	-	-
Extraordinary Items	-	-	-	-
Profit before tax	<b>63.24</b>	<b>46.56</b>	<b>16.68</b>	<b>35.8%</b>
<b>Tax expense:</b>				
(1) Current tax	17.13	7.36	9.77	132.7%
(2) Deferred Tax)	0.10	-	-	-
Profit (Loss) from the period from continuing operations	<b>46.01</b>	<b>39.20</b>	<b>6.81</b>	<b>17.4%</b>
<b>Profit/(Loss) for the period</b>				
<b>Other comprehensive income</b>				
(A)(i) Items that will not be reclassified to profit or loss:	-	-	-	-
(ii) Income tax relating to item that will not be classified to Profit and Loss	-	-	-	-
(B) (i) Items that will be reclassified to profit or loss:	-	-	-	-
(ii) Income tax relating to item that will be classified to Profit and Loss - Loss on reclassification of gratuity	-	-	-	-
<b>Total Comprehensive Income for the year</b>				
<b>Profit/Loss for the period</b>	<b>46.01</b>	<b>39.20</b>	<b>6.81</b>	<b>17.4%</b>
Earning per equity share:				
(1) Basic	0.01	0.37	-	-
(2) Diluted	0.37	0.37	-	-

## SECTION-VIII OTHER REGULATORY INFORMATION

### OUTSTANDING LITIGATIONS, DEFAULTS AND MATERIAL DEVELOPMENTS

Except as disclosed below, there are no outstanding litigations involving our Company and our Subsidiaries/associates whose financial statements are included in the draft letter of offer, either separately or in a consolidated form including, suits, criminal or civil proceedings and taxation related proceedings that would have a material adverse effect on our operations, financial position or future revenues. In this regard, please note the following:

In determining whether any outstanding litigation against our Company, other than litigation involving issues of moral turpitude, criminal liability, material violations of statutory regulations or proceedings relating to economic offences against our Company, would have a material adverse effect on our operations or financial position or impact our future revenues, we have considered all pending litigations involving our Company, other than criminal proceedings, statutory or regulatory actions, as 'Materiality Policy' under Regulation 30 of the SEBI Listing Regulations and as adopted by the Board of Directors of the Company on Thursday, August 10, 2023 for the purpose of litigation disclosure in this draft Letter of Offer if:

- Any outstanding litigation involving the monetary amount of claim made by or against the Company exceeds 10% (ten percent) of the consolidated revenue from operations of the Company as per the latest Audited Balance Sheet.
- For the purpose of determining materiality, the threshold shall be determined by the issuer as per requirements under the SEBI (LODR) Regulations, 2015.

Unless stated to the contrary, the information provided below is as of the date of this Draft Letter of Offer.

### CONTINGENT LIABILITIES OF OUR COMPANY

As per the Financial Statements for the Financial Year ending March 31, 2023, there are contingent income tax liabilities aggregating to Rs. 406.69 lakhs.

### LITIGATION INVOLVING OUR COMPANY

#### 1) Litigation Involving Actions by Statutory/Regulatory Authorities

As on date of this Draft Letter of Offer, there are no actions taken by Statutory/Regulatory Authorities against our Company.

#### 2) Litigation involving Tax Liabilities

##### (i) Direct Tax Liabilities

##### *Direct tax proceedings*

A. Except the following, Company has not received any outstanding demand notice from Income Tax Department:

The details are as given below:

Amount in Rupees (₹)

Name of the section	Outstanding Demand (In Rs.)	Nature of dues	Periods to which amount relates	Remarks
144	1,26,54,870/-	Income Tax	Assessment Year 2018-19	Company is in the process of filing an appeal against the demand
270A	39,31,518/-	Income Tax	Assessment Year 2018-19	
143(1a)	2,40,82,460/-	Income Tax	Assessment Year 2019-20	

B. Except the following, they are no e-proceeding showing on the website of Income Tax against the Company, the amount has not been crystallized yet:

Sl No.	Defective Notice / Issue Letter	Return Acknowledgement No.	Assessment Year	Status
1.	U/s 143(1)(a)	-	2019-20	Pending
2.	U/s 139(9)	285337331021117	2017-18	Pending

##### (ii) Indirect Taxes Liabilities

As on date of this Draft Letter of Offer, there are no indirect tax liabilities against our Company.

#### 3) Proceedings involving issues of moral turpitude or criminal liability on the part of our Company

As on date of this Draft Letter of Offer, there are no proceedings involving issues of moral turpitude or criminal liability filed against our Company.

4) **Proceedings involving Material Violations of Statutory Regulations by our Company**

As on date of this Draft Letter of Offer, there are no proceedings involving issues of material violations of statutory regulations our Company.

5) **Matters involving economic offences where proceedings have been initiated against our Company**

As on date of this Draft Letter of Offer, there are no matters involving economic offences where proceedings have been initiated against our Company;

6) **Other proceedings involving our Company which involve an amount exceeding the Materiality Threshold or are otherwise material in terms of the Materiality Policy, and other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company**

As on date of this Draft Letter of Offer, there are no proceedings involving our Company which involve an amount exceeding the Materiality Threshold or are otherwise material in terms of the Materiality Policy, and other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company;

*Note: The litigations filed by and against Company have not been included in the Draft Letter of Offer as they are not material as per the Materiality Policy of the Company.*

**LITIGATION INVOLVING OUR DIRECTORS, PROMOTERS AND PROMOTER GROUP**

1) **Litigation Involving Actions by Statutory/Regulatory Authorities**

2) **Direct Tax Liabilities**

*Direct Tax Proceedings*

A. Except the following, Company has not received any outstanding demand notice from Income Tax Department:

Amount in Rupees (₹)					
Sl No.	Assessment Year	Demand Ref No.	Demand Raised u/s.	Demand Amount	Outstanding Final Interest
<b>Rajnish Kumar Singh (Promoter)</b>					
1.	2022-23	2022202237143178300T	143(1)(a)	47,13,990	3,29,973
Total				<b>47,13,990/-</b>	<b>3,29,973</b>

B. Except the following, there are no e-proceeding showing on the website of Income Tax against the Company, the amount has not been crystallized yet:

Sl No.	Defective Notice / Issue Letter/U/s.	Return Acknowledgement No.	Assessment Year	Status
<b>Rajnish Kumar Singh (Promoter)</b>				
1.	U/s 139(9)	727804920020813	2012-13	Pending

**LITIGATION INVOLVING OUR SUBSIDIARY COMPANY**

As on date of this Draft Letter of Offer, our Company has no Subsidiary company.

**LITIGATION INVOLVING OUR GROUP COMPANIES**

1) **Litigation involving our Group Companies**

As on date of this Draft Letter of Offer, our Company has no group companies;

**DISCLOSURES PERTAINING TO WILFUL DEFAULTERS**

Neither our Company, nor our Promoter or any of our directors are or have been categorized as a willful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on willful defaulters issued by the RBI.

**DETAILS OF MATERIAL DEVELOPMENTS AFTER THE DATE OF LAST BALANCE SHEET FOR THE FINANCIAL YEAR ENDING MARCH 31, 2023**

Except as mentioned in this Draft Letter of Offer, no material circumstances have arisen since the date of last financial statement until the date of filing the Draft Letter of Offer, which materially and adversely affect or are likely to affect the operations or profitability of our Company, or value of its assets, or its ability to pay its liability within next 12 (Twelve) months to our knowledge.

## GOVERNMENT AND OTHER APPROVALS

<b>Registered Office</b>	Plot No. 24, ABCD, Govt. Industrial Estate, Charkop, Kandivali (West), Mumbai, Maharashtra, India – 400 067
<b>Regional Offices</b>	The Company has regional offices located in the following States: West Bengal and Assam

### ISSUE RELATED APPROVAL

1. Our Board of Directors has, pursuant to a resolution passed at its meeting held on Friday, July 28, 2023, authorized the Issue under Section 62(1)(c) of the Companies Act, 2013 and such other authorities as may be necessary.
2. Our Company has obtained in-principal approval dated [.] from BSE Limited.
3. Our Company's International Securities Identification Number (“**ISIN**”) is INE685Z01033.

### APPROVALS PERTAINING TO INCORPORATION OF OUR COMPANY

Sr. No.	Description	Registrar	Registration /Reference/License No.	Date of Certificate	Date of Expiry
1)	Certificate of Incorporation in the name of Rajnish Hot Deals Private Limited	Registrar of Companies, Mumbai	U52100MH2015PTC265526	June 13, 2015	Valid until Cancelled
2)	Fresh Incorporation Certificate of Incorporation in the name of “Rajnish Hot Deals limited”	Registrar of Companies, Mumbai	U52100MH2015PLC265526	February 01, 2018	Valid until Cancelled
3)	Fresh Certificate of Incorporation after change in the name from Rajnish Hot Deals Limited to Rajnish Wellness Limited	Registrar of Companies, Mumbai	U52100MH2015PLC265526	February 09, 2018	Valid until Cancelled

### TAX RELATED APPROVALS

Sr. No.	Description	Authority	Registration Number	Date of Certificate	Date of Expiry
1)	Permanent Account Number (PAN)	Income Tax Department	AAHCR3491G	June 13, 2015	Valid until cancelled
2)	Tax Deduction Account Number (TAN)	Income Tax Department	MUMR33537A	July 10, 2015	Valid until cancelled
3)	Registration Certificate for Goods and Services Tax (GST) for the state of Mumbai	Government of India	27AAHCR3491G1Z5	March 11, 2023	Valid until cancelled
4)	Certificate of enrolment Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975	Professional Tax Officer	27101133629P	June 30, 2015	Valid till cancelled

### BUSINESS RELATED APPROVALS






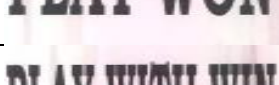
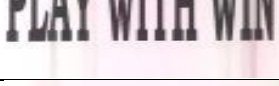

#### Approvals/registration valid

Sr. No.	Description	Authority	Registration Number	Date of Certificate	Date of Expiry
1)	License to sell, stock or exhibit (or offer) for sale or distribute by wholesale, drugs other than those specified in [ Schedules C, C (1) and X]	Licensing Authority & Assistant Commissioner Food & Drugs Administration, Thane-Zone2	MH-TZ2-269361	February 27, 2018	February 26, 2023
2)	License to sell, stock or exhibit (or offer) for sale or distribute by wholesale drugs specified in Schedules C and C (1) [excluding those specified in Sch. X]	Licensing Authority & Assistant Commissioner Food & Drugs Administration, Thane-Zone2	MH-TZ2-269362	February 27, 2018	February 26, 2023



# INTELLECTUAL PROPERTY RIGHTS

Sr. No.	Trademarks/ Copyright	Class Trademark Type	Registration/Application No.	Date of Application	Registration Status	Valid Upto
1)		35	3812847	April 21, 2018	Registered	April 21, 2028
2)		35	4804611	January 02, 2021	Registered	January 02, 2031
3)		5	2999011	July 02, 2015	Registered	July 02, 2025
4)		3	3028787	August 11, 2015	Registered	August 11, 2025
5)		5	3058153	September 18, 2015	Registered	September 18, 2025
6)		5	3162366	January 19, 2016	Registered	January 19, 2026
7)	RAJNISH	5	3659141	October 17, 2017	Registered	October 17, 2027
8)		5	3873469	June 28, 2018	Registered	June 28, 2028
9)		3	3873470	June 28, 2018	Registered	June 28, 2028
10)		5	4103633	March 01, 2019	Registered	March 01, 2029
11)		5	3173898	February 02, 2016	Abandoned	-
12)		5	3216603	March 22, 2016	Abandoned	-
13)		5	3216604	March 22, 2016	Abandoned	-
14)		3	3216605	March 22, 2016	Abandoned	-
15)		3	3216606	March 22, 2016	Abandoned	-
16)		3	3216607	March 22, 2016	Abandoned	-
17)		3	3216608	March 22, 2016	Abandoned	-

Sr. No.	Trademarks/ Copyright	Class Trademark Type	Registration/Application No.	Date of Application	Registration Status	Valid Upto
18)		5	3216609	March 22, 2016	Abandoned	-
19)		5	3216610	March 22, 2016	Abandoned	-
20)		10	3216612	March 22, 2016	Abandoned	-
21)		3	3216614	March 22, 2016	Abandoned	-
22)		5	3216617	March 22, 2016	Abandoned	-
23)		5	3216619	March 22, 2016	Abandoned	-
24)		5	3216620	March 22, 2016	Abandoned	-
25)		5	3216621	March 22, 2016	Abandoned	-

#### OTHER CERTIFICATES/AWARDS

Sr. No.	Description	Authority	ISO Code	Date of Issue	Validity up to
1)	Winner of Times Business Award-North 2023 for providing Healthcare and wellness services	Times Business Awards	-	April 14, 2023	NA

#### WEBSITE RELATED DETAILS

Sr. No.	Domain Name	Sponsoring Registrar and IANA ID	Date of Issue	Validity up to
1.	www.rajnishwellness.com	Sponsoring Registrar: Big Rock Solutions Ltd IANA ID: 1495	February 03, 2018	February 03, 2023
2.	www.davadiscount.com	Sponsoring Registrar: GoDaddy.com, LLC IANA ID: 146	February 07, 2022	November 17, 2023

#### MATERIAL APPROVALS YET TO APPLY

Our Company is yet to apply for the registration under Shop and Establishment Act for its office.

## OTHER REGULATORY AND STATUTORY DISCLOSURES

### AUTHORITY FOR THE ISSUE

This Issue of Equity Shares to the Eligible Shareholders is being made in accordance with the:

1. Resolution passed by our Board of Directors under clause (a) of Sub-Section (1) of Section 62 and other provisions of the Companies Act, at their meeting conducted on Friday, July 28, 2023.
2. The Board of Directors of our Company in their meeting conducted on [●] approved this Issue inter-alia on the following terms:

Issue Size	[●] Equity Shares;
Issue Price	₹[●]/- (Rupees [●]) per Right Equity Share issued in 1 (One) Rights Entitlement, (i.e. ₹[●]/- (Rupees [●]) per Rights Equity Share, including a premium of ₹[●]/- (Rupees [●]) per Rights Equity Share); On Application, Investors will have to pay ₹[●] (Rupees [●] Only) per Rights Equity Share which constitutes [●]% ([●] percent) of the Issue Price and the balance ₹[●] (Rupees [●] Only) per Rights Equity Share which constitutes [●]% ([●] percent) of the Issue Price, will have to be paid, on one or more subsequent Call(s), as determined by the Board of Directors at its sole discretion, from time to time;
Issue Entitlement Ratio	[●]:[●] i.e., Equity Shares for every [●] Equity Shares held by Eligible Shareholders of our Company as on Record Date;
Record Date	[●];

The Board of Directors in their meeting held on [●] have determined the Issue Price as ₹ [●]/- per Equity Share and the Rights Entitlement as [●] Rights Equity Share for every [●] Equity Share held on the Record Date.;

3. This Draft Letter of Offer has been approved at Board meeting of the Board of Directors on [Day], [Date];
4. Receipt of In-principle approvals from the BSE Limited in accordance with Regulation 28 (1) of SEBI (LODR) Regulations for listing of the Rights Shares proposed to be allotted pursuant Issue vide a letter bearing reference number [●] from BSE Limited dated [●]. Our Company will also make application to BSE Limited to obtain their trading approvals for the Rights Entitlements as required under the ASBA Circular;
5. Our Company has been allotted the ISIN [●] from the Depositories for the Rights Shares to be issued pursuant to this Issue.

### PROHIBITION BY SEBI OR RBI OR OTHER GOVERNMENTAL AUTHORITIES

1. Our Company, the Promoters and members of the Promoter Group, and the Directors of our Company have not been prohibited or debarred from accessing or operating in the capital markets, or restrained from buying, selling, or dealing in securities under any order or direction passed by SEBI or any other regulatory or governmental authority.
2. The companies with which our directors or the persons in control of our Company are or were associated as promoter, directors or persons in control have not been debarred from accessing the capital market under any order or direction passed by SEBI or any other regulatory or governmental authority.
3. Our Company, the Promoters and members of the Promoter Group, and the Directors of our Company have not been identified as Willful Defaulters by the RBI;
4. None of our Directors are associated with the securities market in any manner;
5. Our Company, the Promoters and members of the Promoter Group, and the Directors of our Company have not been declared as fugitive economic offenders;
6. None of our Directors currently holds nor have held directorship(s) in the last five years in a listed Company whose shares have been or were suspended from trading on any stock exchange or in a listed Company which has been / was delisted from any stock exchange;
7. There are no proceedings initiated by SEBI, Stock Exchange or ROC, etc., against our Company, Directors, Group Companies;

### ELIGIBILITY FOR THE ISSUE

1. Our Company is a listed company incorporated under the Companies Act, 2013. Our Equity Shares are presently listed on the BSE Limited. Our Company is eligible to offer and issue Rights Shares pursuant to this Issue in terms of Chapter III and other applicable provisions of the SEBI (ICDR) Regulations;
2. Our Company is undertaking this Right Issue in compliance with Part B-1 of Schedule VI of the SEBI (ICDR) Regulations. Our Company undertakes to make an application to the BSE Limited for listing of the Rights Shares to be issued pursuant to this Issue.

## **COMPLIANCE WITH SEBI (ICDR) REGULATIONS**

1. The present Issue being of less than ₹5,000 Lakhs, our Company is in compliance with first proviso to Regulation 3 of the SEBI (ICDR) Regulations and our Company shall file the copy of the Letter of Offer prepared in accordance with the SEBI (ICDR) Regulations with SEBI for information and dissemination on the website of SEBI, i.e. [www.sebi.gov.in](http://www.sebi.gov.in);
2. Our Company is in compliance with requirements of Regulation 61 and Regulation 62 of the SEBI (ICDR) Regulations to the extent applicable;
3. Further, in relation to compliance Regulation 62 (1) (a) of the SEBI (ICDR) Regulations, our Company undertakes to make an application to BSE Limited for listing of the Rights Shares to be issued pursuant to this Issue;
4. BSE Limited shall be the Designated Stock Exchange for this Issue;

## **COMPLIANCE WITH CLAUSE (1) OF PART B OF SCHEDULE VI OF SEBI (ICDR) REGULATIONS**

Our Company is in compliance with the provisions specified in Clause (1) of Part B of Schedule VI of the SEBI (ICDR) Regulations as explained below:

1. Our Company has been filing periodic reports, statements, and information in compliance with the Listing Agreement or the SEBI (LODR) Regulations, as applicable for the last one year immediately preceding the date of filing of the Draft Letter of Offer with the SEBI and until date;
2. The reports, statements and information referred to above in clause (1) are available on the website of BSE Limited;
3. Our Company has an investor grievance-handling mechanism which includes meeting of the Stakeholders' Relationship Committee at frequent intervals, appropriate delegation of power by our Board our Directors as regards share transfer and clearly laid down systems and procedures for timely and satisfactory redressal of investor grievances.

As our Company satisfies the conditions specified in Clause (1) of Part B of Schedule VI of SEBI (ICDR) Regulations, disclosures in this Draft Letter of Offer have been made in terms of Clause (4) of Part B of Schedule VI of SEBI (ICDR) Regulations.

## **COMPLIANCE WITH THE COMPANIES (SIGNIFICANT BENEFICIAL OWNERSHIP) RULES, 2018**

Our Company is in compliance with the provisions of the Companies (Significant Beneficial Ownership) Rules, 2018.

## **DISCLAIMER CLAUSE OF SEBI**

The Draft Letter of Offer has not been filed with SEBI in terms of SEBI (ICDR) Regulations as the size of issue is up to ₹5,000.00 Lakhs.

As required, a copy of the Letter of Offer will be submitted to SEBI.

## **DISCLAIMER CLAUSES OUR COMPANY**

Our Company accept no responsibility for the statements made otherwise than in this Draft Letter of Offer or in any advertisement or other materials issued by us or by any other persons at our instance and anyone placing reliance on any other source of information would be doing so at his/ her own risk.

Investors who invest in this Issue will be deemed to have represented by our Company and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company and are relying on independent advice / evaluation as to their ability and quantum of investment in this Issue.

## **CAUTION**

Our Company shall make all the relevant information available to the Eligible Shareholders in accordance with the SEBI (ICDR) Regulations and no selective or additional information would be available for a section of the Eligible Shareholders in any manner whatsoever, including at presentations, in research or sales reports, etc., after filing this Draft Letter of Offer.

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this Draft Letter of Offer. You must not rely on any unauthorized information or representations. This Draft Letter of Offer is an offer to sell only the Rights Shares and the Rights Entitlement, but only under circumstances and in the applicable jurisdictions. Unless otherwise specified, the information contained in this Draft Letter of Offer is current only as at its date of this Draft Letter of Offer.

## **DISCLAIMER WITH RESPECT TO JURISDICTION**

This Draft Letter of Offer has been prepared under the provisions of Indian laws and the applicable rules and regulations thereunder. Any disputes arising out of this Issue will be subject to the jurisdiction of the appropriate court(s) in Mumbai, India only.

## DESIGNATED STOCK EXCHANGE

The Designated Stock Exchange for the purpose of this Issue will be BSE.

## DISCLAIMER CLAUSE OF BSE LIMITED

As required, a copy of this Draft Letter of Offer has been submitted to the BSE Limited. The BSE Limited have given vide their approval vide letter dated [●] to use its name in this Draft Letter of Offer. The Disclaimer Clause as shall be intimated by the BSE Limited to us, post-scrutiny of this Draft Letter of Offer, shall be included in the Letter of Offer prior to filing with BSE Limited.

Further, BSE Limited does not in any manner:

1. Warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Letter of Offer; or
2. Warrant that our Company's Equity Shares will be listed or will continue to be listed on the BSE Limited; or
3. Take any responsibility for the financial or other soundness of our Company, its management or any scheme or project of our Company;

And it should not for any reason be deemed or construed that this Draft Letter of Offer has been cleared or approved by the BSE Limited.

Every Investor who desires to apply for or otherwise acquires any Equity Shares of our Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the BSE Limited whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/ acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

## FILING

The Draft Letter of Offer has not been filed with the SEBI for its observations as the size of the issue is up to ₹5,000.00 Lakhs which does not require issuer to file Draft Letter of Offer with SEBI. The Company has filed a Draft Letter of Offer with BSE Limited for obtaining in-principle approval.

## SELLING RESTRICTIONS

The distribution of this Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer, Entitlement Letter, Application Form, and the issue of Rights Shares, to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer, Entitlement Letter, or Application Form may come are required to inform themselves about and observe such restrictions.

We are making this Issue of Equity Shares on a rights basis to the Eligible Shareholders and will send/ dispatch the Letter of Offer, Abridged Letter of Offer, Entitlement Letter, and Application Form only to email addresses of such Eligible Shareholders who have provided an Indian address to our Company. Those overseas shareholders who do not update our records with their Indian address or the address of their duly authorized representative in India, prior to the date on which we propose to e-mail the Letter of Offer, Abridged Letter of Offer, Entitlement Letter, and Application Form, shall not be sent the Letter of Offer, Abridged Letter of Offer, Entitlement Letter, and Application Form. Further, the Letter of Offer will be provided, primarily through e-mail, by the Registrar on behalf of our Company to the Eligible Shareholders who have provided their Indian addresses to our Company and who make a request in this regard. Investors can also access the Letter of Offer, the Abridged Letter of Offer, and the Application Form from the websites of the Registrar, our Company and the BSE Limited. Accordingly, our Company and the Registrar will not be liable for non-dispatch of physical copies of Issue materials, including the Letter of Offer, the Abridged Letter of Offer, the Entitlement Letter, and the Application Form.

No action has been or will be taken to permit this Issue in any jurisdiction or the possession, circulation, or distribution of this Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer, and Application Form or any other material relating to our Company, the Equity Shares or Rights Entitlement in any jurisdiction where action would be required for that purpose.

Accordingly, the Rights Entitlements or Rights Shares may not be offered or sold, directly or indirectly, and this Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer, Entitlement Letter and Application Form may not be distributed in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer, Entitlement Letter and Application Form will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, under those circumstances, this Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer, Entitlement Letter and Application Form must be treated as sent for information only and should not be copied, redistributed or acted upon for subscription to Rights Shares or the purchase of Rights Entitlements. Accordingly, persons receiving a copy of this Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer, Entitlement Letter and Application Form should not, in connection with the issue of the Rights Entitlements or Rights Shares, distribute or send such document in, into the United States or any other jurisdiction where to do so would, or might contravene local securities laws or regulations or would subject the Company or their respective affiliates to any filing or registration requirement (other than in India). If this Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer, Entitlement Letter and/or Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Rights Entitlement or Rights Shares referred to in this Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer, Entitlement Letter and Application Form. Envelopes containing an Application Form should not be dispatched from any jurisdiction where it would be illegal to make an offer, and all persons subscribing for the Rights Shares in this Issue must provide an Indian address.

No information in this Draft Letter of Offer should be considered to be business, financial, legal, tax or investment advice.

Any person who makes an application to acquire Rights Entitlement and the Rights Shares offered in this Issue will be deemed to have declared, represented, warranted and agreed that such person is authorized to acquire the Rights Entitlement and the Rights Shares in compliance with all applicable laws and regulations prevailing in his jurisdiction, without requirement for our Company or their respective affiliates to make any filing or registration (other than in India).

Neither the delivery of the Letter of Offer, Abridged Letter of Offer, Entitlement Letter and Application Form nor any sale or offer hereunder, shall under any circumstances create any implication that there has been no change in our Company's affairs from the date hereof or that the information contained herein is correct as at any time subsequent to the date of this Draft Letter of Offer or date of such information.

**The contents of this Draft Letter of Offer, the Letter of Offer and Abridged Letter of Offer should not be construed as legal, tax or investment advice. Prospective investors may be subject to adverse foreign, state or local tax or legal consequences as a result of buying or selling of Rights Shares or Rights Entitlements. As a result, each Investor should consult its own counsel, business advisor, and tax advisor as to the legal, business, tax, and related matters concerning the offer of Rights Shares or Rights Entitlements. In addition, neither our Company nor any of its respective affiliates are making any representation to any offeree or purchaser of the Rights Shares or the Rights Entitlements regarding the legality of an investment in the Rights Shares or the Rights Entitlements by such offeree or purchaser under any applicable laws or regulations.**

## **NO OFFER IN THE UNITED STATES**

The Rights Entitlements and the Rights Shares have not been and will not be registered under the United States Securities Act, 1933, as amended, or any U.S. state securities laws and may not be offered, sold, resold or otherwise transferred within the United States of America or the territories or possessions thereof or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S under the Securities Act, except in a transaction exempt from the registration requirements of the Securities Act. The Rights Entitlements and Rights Shares referred to in this Draft Letter of Offer are being offered in India and in jurisdictions where such offer and sale of the Rights Shares and/ or Rights Entitlements are permitted under laws of such jurisdictions, but not in the United States. The offering to which this Draft Letter of Offer, the Letter of Offer, and Abridged Letter of Offer relates is not, and under no circumstances is to be construed as, an offering of any securities or rights for sale in the United States or as a solicitation therein of an offer to buy any of the said securities or rights.

Accordingly, this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, Entitlement Letter, and Application Form should not be forwarded to or transmitted in or into the United States at any time.

Neither our Company nor any person acting on behalf of our Company will accept subscriptions or renunciation from any person, or the agent of any person, who appears to be, or who our Company or any person acting on behalf of our Company has reason to believe, is in the United States when the buy order is made. No payments for subscribing for the Rights Shares shall be made from US bank accounts and all persons subscribing for the Rights Shares and wishing to hold such Rights Shares in registered form must provide an address for registration of the Rights Shares in India.

**We, the Registrar or any other person acting on behalf of us, reserve the right to treat as invalid any Application Form which:**

- a. Does not include the certification set out in the Application Form to the effect that the subscriber does not have a registered address (and is not otherwise located) in the United States and is authorized to acquire the Rights Entitlements and the Rights Shares in compliance with all applicable laws and regulations;**
- b. Appears to us or its agents to have been executed in, electronically transmitted from or dispatched from the United States;**
- c. Where a registered Indian address is not provided;**
- d. Where we believe that Application Form is incomplete or acceptance of such Application Form may infringe applicable legal or regulatory requirements;**

**And we shall not be bound to allot or issue any Rights Shares in respect of any such Application Form.**

The Rights Entitlements may not be transferred or sold to any person in the United States.

## **INVESTOR GRIEVANCES AND REDRESSAL SYSTEM**

### **1. Mechanism for Redressal of Investor Grievances**

Our Company has made adequate arrangements for redressal of investor complaints in compliance with the corporate governance requirements under the SEBI (LODR) Regulations as well as a well-arranged correspondence system developed for letters of routine nature. We have been registered with the SEBI Complaints Redress System (SCORES) as required by the SEBI Circular bearing reference number 'CIR/OIAE/2/2011 dated June 3, 2011'. Consequently, investor grievances are also tracked online by our Company through the SCORES mechanism.

Our Company has a Stakeholders Relationship Committee comprising of 3 (three), members of the said committee, which meets at least once a year and as and when required. Its terms of reference include considering and resolving grievances of shareholders in relation to transfer of shares and effective exercise of voting rights. All investor grievances received by us have been handled by the Company Secretary and Compliance Officer.



The Investor complaints received by our Company are generally disposed of within 15 (Fifteen) days from the date of receipt of the complaint.

The average time taken by the Registrar, **Bigshare Services Private Limited** for attending to routine grievances will be within 30 (thirty) days from the date of receipt. In case of non-routine grievances where verification at other agencies is involved, it would be the endeavor of the Registrar to the Issue to attend to them as expeditiously as possible. We undertake to resolve the investor grievances in a time bound manner.

## **2. Investor Grievances arising out of this Issue:**

Our Company's investor grievances arising out of the Issue will be handled by **Bigshare Services Private Limited**, who is the Registrar to the Issue. The Registrar to the Issue will have a separate team of personnel handling only post- Issue correspondence.

The agreement between our Company and the Registrar to the Issue will provide for retention of records with the Registrar for a period of at least one year from the last date of dispatch of Allotment Advice to enable the Registrar to redress grievances of Investors.

All grievances relating to this Issue may be addressed to the Registrar to the Issue giving full details such as folio no., name and address, contact details, Email-ID of the first applicant, number and type of Equity Shares applied for, Application Form serial number, amount paid on application and the name of the bank and the branch where the application was deposited, along with a photocopy of the acknowledgement slip. In case of renunciation, the same details of the Renouncee should be furnished.

The average time taken by the Registrar to the Issue for attending to routine grievances will be seven to ten days from the date of receipt of complaints. In case of non-routine grievances where verification at other agencies is involved, it would be the endeavor of the Registrar to the Issue to attend to them as expeditiously as possible. Our Company undertakes to resolve the Investor grievances in a time bound manner.

Investors may contact the Company Secretary and Compliance Officer of our Company and/ or Registrar to the Issue at the below mentioned address in case of any pre-Issue/ post-Issue related problems such as non-receipt of allotment advice/ demat credit etc.

Investors may contact the Registrar to the Issue or the Company Secretary and Compliance Officer of our Company of our Company for any pre-Issue or post-Issue related matter. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSBs (in case of ASBA process), giving full details such as name, address of the Applicant, contact number(s), e mail address of the sole/ first holder, folio number or demat account number, number of Rights Shares applied for, amount blocked, ASBA Account number and the Designated Branch of the SCSBs where the Application Form or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip. For details on the ASBA process, please refer to the section titled '**Terms of the Issue**' on 98 of this Draft Letter of Offer.

The contact details of the Registrar to the Issue and the Company Secretary and Compliance Officer of our Company are as follows:

<b>COMPANY SECRETARY AND COMPLIANCE OFFICER</b>	<b>REGISTRAR TO THE ISSUE</b>
<b>Ms. Anupama Kashyap</b> <b>Address:</b> Plot No. 24, ABCD, Govt Industrial Estate, Charkop Kandivali (West), Mumbai-400 067, India <b>Contact Details:</b> + 91-22-23065555 / 9870659809 <b>Email-ID:</b> <a href="mailto:info@rajnishwellness.com">info@rajnishwellness.com</a>	<b>BIGSHARE SERVICES PRIVATE LIMITED</b> <b>Address:</b> E/2, Ansa Industrial Estate, Saki Vihar Road, Saki Naka, Andheri East, Mumbai – 400072 <b>Contact Details:</b> + 91-022 - 62638273 <b>Website:</b> <a href="http://www.bigshareonline.com">www.bigshareonline.com</a> <b>E-mail ID:</b> <a href="mailto:ipo@bigshareonline.com">ipo@bigshareonline.com</a> <b>Investor grievance e-mail:</b> investor@bigshareonline.com <b>Contact Person:</b> Mr. Jibu John <b>SEBI Registration Number:</b> INR000001385

## SECTION IX – ISSUE INFORMATION

### TERMS OF THE ISSUE

*This section is for the information of the Investors proposing to apply in this Issue. Investors should carefully read the provisions contained the Issue Materials, before submitting the Application Form. Our Company is not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Draft Letter of Offer. Investors are advised to make their independent investigation and ensure that the Application Form is accurately filled up in accordance with instructions provided therein and this Letter of Offer. Unless otherwise permitted under the SEBI (ICDR) Regulations read with the SEBI Rights Issue Circulars, Investors proposing to apply in this Issue can apply only through ASBA or by mechanism as disclosed in this Letter of Offer.*

*Further, SEBI has pursuant to the SEBI Rights Issue Circular stated that in the event there are physical shareholders who have not been able to open a demat account pursuant to the SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020 or are unable to communicate their demat account details to our Company or the Registrar for credit of Rights Entitlements, such physical shareholders may be allowed to submit their Application. For more details, please see 'Application by Eligible Equity Shareholders Holding Equity Shares In Physical Form' on page 110 of this Draft Letter of Offer.*

This Issue is proposed to be undertaken on a rights basis and is subject to the terms and conditions contained in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association of our Company, the provisions of the Companies Act, 2013, the FEMA, the FEMA Rules, the SEBI (ICDR) Regulations, the SEBI (LODR) Regulations and the guidelines, notifications, circulars and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, approvals, if any, from RBI or other regulatory authorities, the terms of the Listing Agreements entered into by our Company with BSE Limited and the terms and conditions as stipulated in the Allotment Advice.

### IMPORTANT

#### 1. Dispatch and availability of Issue materials

In accordance with the SEBI (ICDR) Regulations, ASBA Circular, our Company will send/dispatch at least 3 (Three) days before the Issue Opening Date, the Letter of Offer, the Abridged Letter of Offer, the Entitlement Letter, Application Form and other applicable Issue Materials only to the Eligible Shareholders who have provided an India address to our Company and who are located in jurisdictions where the offer and sale of the Rights Entitlement or Right Shares is permitted under laws of such jurisdictions and does not result in and may not be construed as, a public offering in such jurisdictions. In case the Eligible Shareholders have provided their valid e-mail address, the Issue Materials will be sent only to their valid e-mail address and in case the Eligible Shareholders have not provided their e-mail address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the India addresses provided by them. Further, the Letter of Offer will be sent/dispatched, by the Registrar to the Issue on behalf of our Company to the Eligible Shareholders who have provided their Indian addresses and have made a request in this regard. In case such Eligible Shareholders have provided their valid e-mail address, the Letter of Offer will be sent only to their valid e-mail address and in case such Eligible Shareholders have not provided their e-mail address, then the Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them or who are located in jurisdictions where the offer and sale of the Right Shares is permitted under laws of such jurisdictions and in each case who make a request in this regard.

Investors can access the Letter of Offer, the Abridged Letter of Offer, and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Right Shares under applicable securities laws) on the websites of:

Access of Documents on the website of	URL of websites
Company	<a href="http://www.rajnishwellness.com">www.rajnishwellness.com</a>
Registrar to the Issue	<a href="http://www.bigshareonline.com">www.bigshareonline.com</a>
BSE Limited	<a href="http://www.bseindia.com">www.bseindia.com</a>

Eligible Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar to the Issue's website at [www.bigshareonline.com](http://www.bigshareonline.com) by entering their DP-ID, Client-ID, or Folio Number (for Eligible Equity Shareholders holding Equity Shares in physical form as on the Record Date) and PAN. The link for the same shall also be available on the website of our Company at [www.rajnishwellness.com](http://www.rajnishwellness.com)

Further, our Company will undertake all adequate steps to reach out the Eligible Shareholders who have provided their Indian address through other means, as may be feasible. **Please note that, our Company and the Registrar to the Issue will not be liable for non-dispatch of physical copies of Issue materials, including the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, and the Application Form or delay in the receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, and the Application Form attributable to the non-availability of the e-mail addresses of Eligible Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in transit.**

The distribution of this Letter of Offer, Abridged Letter of Offer, the Rights Entitlement Letter, and the issue of Rights Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. No action has been, or will be, taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that this Letter of Offer is being filed with SEBI and the BSE Limited. Accordingly, the Rights Entitlements and Rights Shares may not be offered or sold, directly or indirectly, and this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form or any Issue related materials or advertisements in connection with this Issue may not be distributed, in any jurisdiction, except in accordance with and as permitted under the legal requirements applicable in such jurisdiction.



Receipt of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, or the Application Form (including by way of electronic means) will not constitute an offer, invitation to, or solicitation by anyone in any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorized or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, or the Application Form must be treated as sent for information only and should not be acted upon for making an Application and should not be copied or re-distributed.

Accordingly, persons receiving a copy of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, or the Application Form should not, in connection with the issue of the Rights Shares or the Rights Entitlements, distribute or send this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, or the Application Form in or into any jurisdiction where to do so, would, or might, contravene local securities laws or regulations or would subject our Company or its affiliates to any filing or registration requirement (other than in India). If this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to make an application or acquire the Rights Entitlements referred to in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form. Any person who makes an application to acquire Rights Entitlements and the Rights Shares offered in the Issue will be deemed to have declared, represented, and warranted that such person is authorized to acquire the Rights Entitlements and the Rights Shares in compliance with all applicable laws and regulations prevailing in such person's jurisdiction and India, without requirement for our Company or our affiliates to make any filing or registration (other than in India).

## **2. Process of making an Application in this Issue**

**In accordance with Regulation 76 of the SEBI (ICDR) Regulations, SEBI - Rights Issue Circulars, and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA. detailed under the Paragraph titled 'Procedure for Application through the ASBA Process' on page Error! Bookmark not defined. of this Draft Letter of Offer.**

Investors can submit either the Application Form in physical mode to the Designated Branches of the SCSBs or online/ electronic Application through the website of the SCSBs (if made available by such SCSB) authorizing the SCSB to block the Application Money in an ASBA Account maintained with the SCSB. Application through ASBA facility in electronic mode will only be available with such SCSBs who provide such facility.

Please note that subject to SCSBs complying with the requirements of SEBI circular bearing reference number CIR/CFD/DIL/13/2012 dated September 25, 2012, within the periods stipulated therein, Applications may be submitted at the Designated Branches of the SCSBs. For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process, please refer to <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>. Further, in terms of the SEBI circular bearing reference number CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making Applications by SCSBs on their own account using ASBA facility, each such SCSB should have a separate account in its own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making an Application in this Issue and clear demarcated funds should be available in such account for such an Application.

Our Company, its directors, its employees, affiliates, associates and their respective directors and officers and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions, and commissions etc., in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

The Application Form can be used by the Eligible Equity Shareholders as well as the Renouncees, to make Applications in this Issue basis the Rights Entitlement credited in their respective demat accounts or demat suspense escrow account, as applicable. For further details on the Rights Entitlements and demat suspense escrow account, please see the section entitled 'Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders' on page 100 of this Draft Letter of Offer.

Please note that one single Application Form shall be used by Investors to make Applications for all Rights Entitlements available in a particular demat account or entire respective portion of the Rights Entitlements in the demat suspense escrow account in case of resident Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and applying in this Issue, as applicable. In case of Investors who have provided details of demat account in accordance with the SEBI (ICDR) Regulations, such Investors will have to apply for the Rights Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Application Form for each demat account.

Investors may apply for the Rights Entitlements by submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. Investors are also advised to ensure that the Application Form is correctly filled up stating therein the ASBA Account in which an amount equivalent to the amount payable on Application as stated in the Application Form will be blocked by the SCSB.

**Applicants should note that they should very carefully fill-in their depository account details and PAN in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB). Please note that incorrect depository account details or PAN or Application Forms without depository account details shall be treated as incomplete and shall be rejected. For details, please see the paragraph titled 'Grounds for Technical Rejection' on page 113 of this Draft Letter of Offer. Our Company and the Registrar to the Issue, and the SCSBs shall not be liable for any incomplete or incorrect demat details provided by the Applicants.**

Additionally, in terms of Regulation 78 of the SEBI (ICDR) Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that SCSBs shall accept such applications only if all details required for making the application as per the SEBI (ICDR) Regulations are specified in the plain paper application and that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, please see the section entitled 'Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process' on page 107. **Error! Bookmark not defined.** of Draft Letter of Offer.

### 3. Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders

In accordance with Regulation 77A of the SEBI (ICDR) Regulations, read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Rights Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to:

- (i) The demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialized form; and
- (ii) A demat suspense escrow account opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to:
  - (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI (LODR) Regulations; or
  - (b) Equity Shares held in the account of IEPF authority; or
  - (c) The demat accounts of the Eligible Equity Shareholder which are frozen or details of which are unavailable with our Company or with the Registrar on the Record Date; or
  - (d) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or
  - (e) Credit of the Rights Entitlements returned/reversed/failed; or
  - (f) The ownership of the Equity Shares currently under dispute, including any court proceedings, as applicable
  - (g) Eligible Equity Shareholders who have not provided their Indian addresses.

Eligible Equity Shareholders, whose Rights Entitlements are credited in demat suspense escrow account opened by our Company, are requested to provide relevant details (such as copies of self-attested PAN and client master sheet of demat account etc., details/ records confirming the legal and beneficial ownership of their respective Equity Shares) to the Company or the Registrar not later than 2 (Two) Working Days prior to the Issue Closing Date, i.e., by [●] to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least one day before the Issue Closing Date, to enable such Eligible Equity Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account is active, details of which have been provided to the Company or the Registrar, to facilitate the aforementioned transfer. Eligible Equity Shareholders holding Equity Shares in physical form can update the details of their demat accounts on the website of the Registrar (i.e., [www.bigshareonline.com](http://www.bigshareonline.com)). Such Eligible Equity Shareholders can make an application only after the Rights Entitlements is credited to their respective demat accounts.

Eligible Equity Shareholders can obtain the details of their Rights Entitlements from the website of the Registrar (i.e. [www.bigshareonline.com](http://www.bigshareonline.com)) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company (i.e., [www.rajnishwellness.com](http://www.rajnishwellness.com));

#### Other important links and helpline

The Investors can visit following links for the below-mentioned purposes:

Particulars	Website Links
Frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors	<a href="http://www.bigshareonline.com">www.bigshareonline.com</a>
Submission of self-attested PAN, client master sheet and demat account details by non-resident Eligible Equity Shareholders	
Updation of Indian address/ e-mail address/ mobile number in the records maintained by the Registrar or our Company	<a href="mailto:investor@bigshareonline.com">investor@bigshareonline.com</a>
Updation of demat account details by Eligible Equity Shareholders holding shares in physical form	

#### Renounees

All rights and obligations of the Eligible Equity Shareholders in relation to Applications and refunds pertaining to this Issue shall apply to the Renounee(s) as well.

## Basis for this Issue

The Rights Shares are being offered for subscription for cash to the Eligible Equity Shareholders whose names appear as beneficial owners as per the list to be furnished by the Depositories in respect of our Equity Shares held in dematerialized form and on the register of members of our Company in respect of our Equity Shares held in physical form at the close of business hours on the Record Date, i.e. [●].

## Rights Entitlements

As your name appears as a beneficial owner in respect of the issued and paid-up Equity Shares held in dematerialized form or appears in the register of members of our Company as an Eligible Equity Shareholder in respect of our Equity Shares held in physical form, as on the Record Date, i.e. [●], you may be entitled to subscribe to the number of Rights Shares as set out in the Rights Entitlement Letter.

The Registrar will send/dispatch a Rights Entitlement Letter along with the Abridged Letter of Offer and the Common Application Form to all Eligible Equity Shareholders who have provided an Indian address to our Company and who are located in jurisdictions where the offer and sale of the Rights Entitlements or Rights Shares is permitted under laws of such jurisdiction and does not result in and may not be construed as, a public offering in such jurisdictions, which will contain details of their Rights Entitlements based on their shareholding as on the Record Date.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar (i.e. [www.bigshareonline.com](http://www.bigshareonline.com)) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company (i.e. [www.rajnishwellness.com](http://www.rajnishwellness.com)).

Rights Entitlements shall be credited to the respective demat accounts of Eligible Equity Shareholders before the Issue Opening Date only in dematerialized form. If Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date. Such Eligible Equity Shareholders holding shares in physical form can update the details of their respective demat accounts on the website of the Registrar (i.e. [www.bigshareonline.com](http://www.bigshareonline.com)). Such Eligible Equity Shareholders can make an application only after the Rights Entitlements is credited to their respective demat accounts.

Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders and will send/ dispatch the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Common Application Form only to Eligible Equity Shareholders who have provided an Indian address to our Company or who are located in jurisdictions where the offer and sale of the Rights Shares is permitted under laws of such jurisdictions. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Issue Materials will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

## PRINCIPAL TERMS OF THIS ISSUE

Face Value	Each Rights Equity Share will have the face value of ₹1.00/- (Rupee One Only).
Issue Price	₹[●]/- (Rupees [●]) per Rights Equity Share issued in 1 (One) Rights Entitlement, (i.e. ₹[●]/- (Rupees [●]) per Rights Equity Share, including a premium of ₹[●]/- (Rupees [●]) per Rights Share). On Application, Investors will have to pay ₹[●] (Rupees [●] Only) per Rights Share which constitutes [●] ([●] Percent) of the Issue Price, and the balance ₹[●] (Rupees [●] Only) per Rights Share which constitutes [●] ([●] Percent) of the Issue Price, will have to be paid, on one additional call as may be decided by the Board/ Rights Issue Committee of the Board from time to time.
Rights Entitlements Ratio	The Rights Shares are being offered on a rights basis to the Eligible Equity Shareholders in the ratio of [●] ([●]) Rights Shares for every [●] ([●]) Equity Shares held by the Eligible Equity Shareholders as on the Record Date i.e., [●].
Renunciation of Rights Entitlements	<p>This Issue includes a right exercisable by Eligible Equity Shareholders to renounce the Rights Entitlements credited to their respective demat account either in full or in part.</p> <p>The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and <i>vice versa</i> shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favor of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.</p> <p>The renunciation of Rights Entitlements credited in your demat account can be made either by way of On Market or through off-market transfer. For details, see 'Procedure for Renunciation of Rights Entitlements' on page 108 of this Draft Letter of Offer.</p> <p>In accordance with SEBI Rights Issue Circulars, the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least 2 (Two) Working Days prior to the Issue Closing Date, will not be able to renounce their Rights Entitlements.</p>

<p><b>Credit of Rights Entitlements in dematerialized account</b></p>	<p>In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Rights Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI Listing Regulations; or (b) Equity Shares held in the account of IEPF authority; or (c) the demat accounts of the Eligible Equity Shareholder which are frozen or details of which are unavailable with our Company or with the Registrar on the Record Date, i.e. [●]; or (d) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (e) credit of the Rights Entitlements returned/reversed/failed; or (f) the ownership of the Equity Shares currently under dispute, including any court proceedings, as applicable.</p> <p>In this regard, our Company has made necessary arrangements with NSDL and CDSL for the credit of the Rights Entitlements to the demat accounts of the Eligible Equity Shareholders in a dematerialized form. A separate ISIN for the Rights Entitlements has also been generated which is [●]. The said ISIN shall remain frozen (for debit) until the Issue Opening Date and shall be active for renunciation or transfer only during the Renunciation Period, i.e., from [●] to [●] (both days inclusive). It is clarified that the Rights Entitlements shall not be available for transfer or trading post the Renunciation Period. The said ISIN shall be suspended for transfer by the Depositories post the Issue Closing Date.</p> <p>Eligible Equity Shareholders, whose Rights Entitlement are credited in demat suspense escrow account opened by our Company are requested to provide relevant details (such as copies of self-attested PAN and client master sheet of demat account etc., details/ records confirming the legal and beneficial ownership of their respective Equity Shares) to the Company or the Registrar not later than two (2) Working Days prior to the Issue Closing Date, i.e., by [●] to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least one day before the Issue Closing Date, to enable such Eligible Equity Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to the Company or the Registrar account is active to facilitate the aforementioned transfer. Eligible Equity Shareholders holding Equity Shares in physical form can update the details of their demat accounts on the website of the Registrar (i.e. www.bigshareonline.com). Such Eligible Equity Shareholders can make an application only after the Rights Entitlements is credited to their respective demat accounts.</p> <p>Additionally, our Company will submit the details of the total Rights Entitlements credited to the demat accounts of the Eligible Equity Shareholders and the demat suspense escrow account to the BSE Limited after completing the corporate action. The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar after keying in their respective details along with other security control measures implemented thereat.</p> <p><b>PLEASE NOTE THAT CREDIT OF THE RIGHTS ENTITLEMENTS IN THE DEMAT ACCOUNT DOES NOT, PER SE, ENTITLE THE INVESTORS TO THE RIGHTS SHARES AND THE INVESTORS HAVE TO SUBMIT APPLICATION FOR THE RIGHTS SHARES ON OR BEFORE THE ISSUE CLOSING DATE I.E., [●] AND MAKE PAYMENT OF THE APPLICATION MONEY. FOR DETAILS, SEE ‘PROCEDURE FOR APPLICATION’ ON PAGE 105 OF THIS DRAFT LETTER OF OFFER.</b></p>
<p><b>Trading of the Rights Entitlements</b></p>	<p>In accordance with the SEBI Rights Issue Circulars, the Rights Entitlements credited shall be admitted for trading on the BSE Limited under Rights Entitlement ISIN [●]. Prior to the Issue Opening Date, our Company will obtain the approval from the BSE Limited for trading of Rights Entitlements. Investors shall be able to trade/ transfer their Rights Entitlements either through On Market Renunciation or through Off Market Renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.</p> <p>The On Market Renunciation shall take place electronically on the secondary market platform of the BSE Limited on T+2 rolling settlement basis, where T refers to the date of trading. The transactions will be settled on trade-for-trade basis. The Rights Entitlements shall be tradable in dematerialized form only. The market lot for trading of Rights Entitlements is One Rights Entitlement.</p> <p>The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, i.e., from [●] to [●] (both days inclusive). No assurance can be given regarding the active or sustained On Market Renunciation or the price at which the Rights Entitlements will trade. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date. For details, see ‘<i>Procedure for Renunciation of Rights Entitlements – On Market Renunciation</i>’ and ‘<i>Procedure for Renunciation of Rights Entitlements – Off Market Renunciation</i>’ on page 108 of this Draft Letter of Offer. Once the Rights Entitlements are credited to the demat account of the Renouncees, application in the Issue could be made until the Issue Closing Date. For details, see ‘<i>Procedure for Application</i>’ on page 105 of this Draft Letter of Offer.</p> <p><b>Please note that the Rights Entitlements which are neither renounced nor subscribed by the Investors on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.</b></p>



<b>Terms of Payment</b>	<p>₹ [●]/- (Rupees [●]) per Rights Equity Share issued in 1 (One) Rights Entitlement, (i.e. ₹[●]/- (Rupees [●]) per Rights Equity Share, including a premium of ₹[●]/- (Rupees [●]) per Rights Share).</p> <p>On Application, Investors will have to pay ₹[●] (Rupees [●] Only) per Rights Share which constitutes [●] ([●] Percent) of the Issue Price, and the balance ₹[●] (Rupees [●] Only) per Rights Share which constitutes [●] ([●] Percent) of the Issue Price, will have to be paid, on one additional call as may be decided by the Board/ Rights Issue Committee of the Board from time to time.</p> <p>Where an Applicant has applied for additional Rights Shares and is Allotted a lesser number of Rights Shares than applied for, the excess Application Money paid/blocked shall be refunded/unblocked. The un-blocking of ASBA funds / refund of monies shall be completed be within such period as prescribed under the SEBI (ICDR) Regulations. If there is a delay in making refunds beyond such period as prescribed under applicable law, our Company shall pay the requisite interest at such rate as prescribed under applicable law.</p>
<b>Fractional Entitlements</b>	<p>The Rights Shares are being offered on a rights basis to existing Eligible Equity Shareholders in the ratio of [●] ([●]) Rights Shares for every [●] ([●]) Equity Shares held as on the Record Date. As per SEBI Rights Issue Circulars, the fractional entitlements are to be ignored. Accordingly, if the shareholding of any of the Eligible Equity Shareholders is less than [●]([●]) Equity Shares or is not in the multiple of [●]([●]) Equity Shares, the fractional entitlements of such Eligible Equity Shareholders shall be ignored by rounding down of their Rights Entitlements. However, the Eligible Equity Shareholders whose fractional entitlements are being ignored will be given preferential consideration for the Allotment of one (1) additional Rights Equity Share if they apply for additional Rights Shares over and above their Rights Entitlements, if any, subject to availability of Rights Shares in this Issue post allocation towards Rights Entitlements applied for.</p> <p>For example, if an Eligible Equity Shareholder holds [●]([●]) Equity Shares, such Equity Shareholder will be entitled to [●]([●]) Rights Equity Share and will also be given a preferential consideration for the Allotment of one (1) additional Rights Equity Share if such Eligible Equity Shareholder has applied for additional Rights Shares, over and above his/ her Rights Entitlements, subject to availability of Rights Shares in this Issue post allocation towards Rights Entitlements applied for.</p> <p>Further, the Eligible Equity Shareholders holding less than [●] ([●]) Equity Shares shall have 'zero' entitlement for the Rights Shares. Such Eligible Equity Shareholders are entitled to apply for additional Rights Shares and will be given preference in the Allotment of one Rights Share, if such Eligible Equity Shareholders apply for additional Rights Shares, subject to availability of Rights Shares in this Issue post allocation towards Rights Entitlements applied for. However, they cannot renounce the same in favour of third parties.</p>
<b>Credit Rating</b>	As this Issue is a rights issue of Rights Shares, there is no requirement of credit rating for this Issue.
<b>Ranking</b>	The Rights Shares to be issued and Allotted pursuant to this Issue shall be subject to the provisions of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Common Application Form, and the Memorandum of Association and the Articles of Association, the provisions of the Companies Act, 2013, FEMA, the SEBI ICDR Regulations, the SEBI Listing Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, the terms of the Listing Agreements entered into by our Company with the BSE Limited and the terms and conditions as stipulated in the Allotment advice. The Rights Shares to be issued and allotted under this Issue shall, upon being fully paid up, rank <i>pari passu</i> with the existing Equity Shares, in all respects including dividends. In respect of the Rights Shares, Investors are entitled to dividend in proportion to the amount paid up and their voting rights exercisable on a poll shall also be proportional to their respective share of the paid-up equity capital of our Company.
<b>Listing and trading of the Rights Shares to be issued pursuant to this Issue</b>	<p>Subject to receipt of the listing and trading approvals, the Rights Shares proposed to be issued on a rights basis shall be listed and admitted for trading on the BSE Limited. Unless otherwise permitted by the SEBI ICDR Regulations, the Rights Shares Allotted pursuant to this Issue will be listed as soon as practicable and all steps for completion of necessary formalities for listing and commencement of trading in the Rights Shares will be taken within such period prescribed under the SEBI (ICDR) Regulations. Our Company has received in-principle approval from the BSE Limited vide its letter bearing reference number [●] dated [●], respectively. Our Company will apply to the BSE Limited for final approvals for the listing and trading of the Rights Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Shares or the price at which the Rights Shares offered under this Issue will trade after the listing thereof.</p> <p>For an applicable period, the trading of the Rights Shares would be suspended under the applicable law. The process of corporate action for crediting the fully paid-up Rights Shares to the Investors' demat accounts may take such time as is customary or as prescribed under applicable law from the last date of payment of the amount.</p> <p>The existing Equity Shares are listed and traded on BSE (Scrip Code: 541601) and BSE Limited (Symbol: RAJNISH) under the ISIN: INE685Z01033. The Rights Shares shall be credited to a temporary RE ISIN which will be frozen until the receipt of the final listing/ trading approvals from the BSE Limited. Upon receipt of such listing and trading approvals, the Rights Shares shall be debited from such temporary RE ISIN and credited to the new ISIN for the Rights Shares and thereafter be available for trading and the temporary RE ISIN shall be permanently deactivated in the depository system of CDSL and NSDL.</p> <p>The listing and trading of the Rights Shares issued pursuant to this Issue shall be based on the current regulatory framework then applicable. Accordingly, any change in the regulatory regime would affect the listing and trading schedule.</p> <p>In case our Company fails to obtain listing or trading permission from the BSE Limited, we shall refund through verifiable means/unblock the respective ASBA Accounts, the entire monies received/ blocked within four (4) days of receipt of intimation from the BSE Limited, rejecting the application for listing of the Rights Shares, and if any such money is not</p>

	<p>refunded/ unblocked within four (4) days after our Company becomes liable to repay it, our Company and every director of our Company who is an officer-in-default shall, on and from the expiry of the fourth day, be jointly and severally liable to repay that money with interest at rates prescribed under applicable law.</p> <p>For details of trading and listing of partly paid-up Rights Shares, please refer to the heading '<i>Terms of Payment</i>' at page 103 of this Draft Letter of Offer.</p>
<b>Subscription to this Issue by our Promoters and our Promoter Group</b>	For details of the intent and extent of subscription by our Promoter and the Promoter Group, please refer to the chapter titled ' <i>Capital Structure – Intention and extent of participation by our Promoters and Promoter Group</i> ' on page 36 of this Draft Letter of Offer.
<b>Rights of Holders of Rights Shares of our Company</b>	<p>Subject to applicable laws, Rights Equity Shareholders shall have the following rights:</p> <ol style="list-style-type: none"> <li>The right to receive dividend, if declared;</li> <li>The right to vote in person, or by proxy;</li> <li>The right to receive surplus on liquidation;</li> <li>The right to free transferability of Rights Shares;</li> <li>The right to attend general meetings of our Company and exercise voting powers in accordance with law, unless prohibited / restricted by law; and</li> <li>Such other rights as may be available to a shareholder of a listed public company under the Companies Act, 2013, the Memorandum of Association and the Articles of Association.</li> </ol> <p>Subject to applicable law and Articles of Association, holders of Rights Shares shall be entitled to the above rights in proportion to amount paid-up on such Rights Shares in this Issue</p>

## GENERAL TERMS OF THE ISSUE

<b>Market Lot</b>	The Rights Shares of our Company shall be tradable only in dematerialized form. The market lot for Rights Shares in dematerialized mode is one (1) Equity Share.
<b>Joint Holders</b>	Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as the joint holders with the benefit of survivorship subject to the provisions contained in our Articles of Association. In case of Equity Shares held by joint holders, the Application submitted in physical mode to the Designated Branch of the SCSBs would be required to be signed by all the joint holders (in the same order as appearing in the records of the Depository) to be considered as valid for allotment of Rights Shares offered in this Issue.
<b>Nomination</b>	<p>Nomination facility is available in respect of the Rights Shares in accordance with the provisions of the Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014.</p> <p>Since the Allotment is in dematerialized form, there is no need to make a separate nomination for the Rights Shares to be Allotted in this Issue. Nominations registered with the respective Depository Participants of the Investors would prevail. Any Investor holding Equity Shares in dematerialized form and desirous of changing the existing nomination is requested to inform its Depository Participant.</p>
<b>Arrangements for Disposal of Odd Lots</b>	The Rights Shares shall be traded in dematerialized form only and, therefore, the marketable lot shall be 1 (one) Rights Share and hence, no arrangements for disposal of odd lots are required.
<b>Restrictions on transfer and transmission of shares and on their consolidation/splitting</b>	There are no restrictions on transfer and transmission and on their consolidation/splitting of shares issued pursuant to this Issue. However, the Investors should note that pursuant to provisions of the SEBI (LODR) Regulations, with effect from April 1, 2019 and as amended vide SEBI Notification bearing No. SEBI/LAD-NRO/GN/2022/66 on January 24, 2022, the request for transfer of securities shall not be effected unless the securities are held in the dematerialized form with a depository. Provided further that transmission or transposition of securities held in physical or dematerialized form shall be effected only in dematerialized form.
<b>Notices</b>	In accordance with the SEBI (ICDR) Regulations and the SEBI Rights Issue Circulars, our Company will send / dispatch the Letter of Offer, the Rights Entitlement Letter, Common Application Form and other issue materials (" <b>Issue Materials</b> ") only to the Eligible Equity Shareholders who have provided an Indian address to our Company and who are located in jurisdictions where the offer and sale of the Rights Entitlement or Rights Shares is permitted under laws of such jurisdiction and does not result in and may not be construed as, a public offering in such jurisdictions. In case the Eligible Equity Shareholders have provided their valid e-mail address, the Issue Materials will be sent only to their valid e-mail address and in case the Eligible Equity Shareholders have not provided their e-mail address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

	<p>Further, the Letter of Offer will be provided by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company and who make a request in this regard. In case the Eligible Equity Shareholders have provided their valid e-mail address, the Letter of Offer will be sent only to their valid e-mail address and in case the Eligible Equity Shareholders have not provided their e-mail address, then the Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.</p> <p>All notices to the Eligible Equity Shareholders required to be given by our Company shall be published in (i) one English language national daily newspaper with wide circulation; (ii) one Hindi language national daily newspaper with wide circulation; and (iii) one Telugu language daily newspaper with wide circulation (Telugu being the regional language of Telangana, where our Registered Office is situated) and/or, will be sent by post or electronic transmission or other permissible mode to the addresses of the Eligible Equity Shareholders provided to our Company. This Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer and the Common Application Form shall also be submitted with the BSE Limited for making the same available on their websites.</p>
<p><b>Offer to Non-Resident Eligible Equity Shareholders/Investors</b></p>	<p>As per Rule 7 of the FEMA Rules, the RBI has given general permission to Indian companies to issue rights shares to non-resident shareholders including additional rights shares. Further, as per the Master Direction on Foreign Investment in India dated January 4, 2018 issued by the RBI, non-residents may, amongst other things, (i) subscribe for additional shares over and above their Rights Entitlements; (ii) renounce the shares offered to them either in full or part thereof in favor of a person named by them; or (iii) apply for the shares renounced in their favor. Applications received from NRIs and non-residents for allotment of Rights Shares shall be, amongst other things, subject to the conditions imposed from time to time by the RBI under FEMA in the matter of Application, refund of Application Money, Allotment of Rights Shares and issue of Rights Entitlement Letters/ letters of Allotment/Allotment advice. If a non-resident or NRI Investor has specific approval from RBI, in connection with his shareholding in our Company, such person should enclose a copy of such approval with the Application details and send it to the Registrar by email on <a href="mailto:investor@bigshareonline.com">investor@bigshareonline.com</a> or physically/postal means at the address of the Registrar mentioned on the cover page of the Letter of Offer. It will be the sole responsibility of the investors to ensure that the necessary approval from the RBI or the governmental authority is valid in order to make any investment in the Issue and our Company will not be responsible for any such allotments made by relying on such approvals.</p> <p>The Abridged Letter of Offer, the Rights Entitlement Letter and Common Application Form shall be sent/dispatched to the email addresses and Indian addresses of non-resident Eligible Equity Shareholders, on a reasonable effort basis, who have provided an Indian address to our Company and are located in jurisdictions where the offer and sale of the Rights Shares is permitted under laws of such jurisdictions and does not result in and may not be construed as, a public offering in such jurisdictions. Investors can access the Letter of Offer, the Abridged Letter of Offer and the Common Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Shares under applicable securities laws) from the websites of the Registrar, our Company and the BSE Limited. Our Board may at its absolute discretion, agree to such terms and conditions as may be stipulated by the RBI while approving the Allotment. The Rights Shares purchased by non-residents shall be subject to the same conditions including restrictions in regard to their repatriation as are applicable to the original Equity Shares against which Rights Shares are issued on rights basis.</p> <p>In case of change of status of holders, i.e., from resident to non-resident, a new demat account must be opened. Any Application from a demat account which does not reflect the accurate status of the Applicant is liable to be rejected at the sole discretion of our Company.</p>

## PROCEDURE FOR APPLICATION

### How to Apply

**In accordance with Regulation 76 of the SEBI (ICDR) Regulations, SEBI Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use either the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA.**

For details of procedure for application by the resident Eligible Equity Shareholders holding Equity Shares in physical form as on the Record Date, i.e. [●] see 'Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form' on page 110 of this Draft Letter of Offer.

**Our Company, its directors, its employees, affiliates, associates and their respective directors and officers and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.**

### Common Application Form

The Common Application Form for the Rights Shares offered as part of this Issue would be sent/ dispatched (i) only to email address of the resident Eligible Equity Shareholders who have provided their email address; (ii) only to the Indian addresses of the resident Eligible Equity Shareholders, on a reasonable effort basis, who have not provided a valid email address to our Company; (iii) only to the Indian addresses of the non-resident Eligible Equity Shareholders, on a reasonable effort basis, who have provided an Indian address to our Company and are located in jurisdictions where the offer and sale of the Rights Shares is permitted under laws of such jurisdictions. The Common Application Form along with the Abridged Letter of Offer

and the Rights Entitlement Letter shall be sent/ dispatched at least three days before the Issue Opening Date. The Renouncees and Eligible Equity Shareholders who have not received the Common Application Form can download the same from the website of the Registrar, our Company or BSE Limited.

In case of non-resident Eligible Equity Shareholders, the Common Application Form along with the Abridged Letter of Offer and the Rights Entitlement Letter shall be sent through email, to email address if they have provided an Indian address to our Company or who are located in jurisdictions where the offer and sale of the Rights Shares is permitted under laws of such jurisdictions and does not result in and may not be construed as, a public offering in such jurisdictions.

**Please note that neither our Company shall be responsible for delay in the receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Common Application Form attributable to non-availability of the email addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Common Application Forms or the Rights Entitlement Letters are delayed or misplaced in the transit or there is a delay in physical delivery (where applicable).**

To update the respective email addresses/ mobile numbers in the records maintained by the Registrar or our Company, Eligible Equity Shareholders should visit [●]. Investors can access this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer and the Common Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Shares under applicable securities laws) from the websites of:

Access of Documents on the website of	URL of websites
Company	<a href="http://www.rajnishwellness.com">www.rajnishwellness.com</a>
Registrar to the Issue	<a href="http://www.bigshareonline.com">www.bigshareonline.com</a>
BSE Limited	<a href="http://www.bseindia.com">www.bseindia.com</a>

The Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar (*i.e.*, [www.bigshareonline.com](http://www.bigshareonline.com)) by entering their DP ID and Client ID or Folio Number (in case of resident Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company (*i.e.* [www.rajnishwellness.com](http://www.rajnishwellness.com)).

The Common Application Form can be used by the Investors, Eligible Equity Shareholders as well as the Renouncees, to make Applications in this Issue, based on the Rights Entitlement credited in their respective demat accounts. Please note that one single Common Application Form shall be used by the Investors to make Applications for all Rights Entitlements available in a particular demat account. In case of Investors who have provided details of demat account in accordance with the SEBI (ICDR) Regulations, such Investors will have to apply for the Rights Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Common Application Form for each demat account.

Investors may accept this Issue and apply for the Rights Shares by submitting the Common Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts

**Please note that Applications made with payment using third party bank accounts are liable to be rejected.**

Investors are also advised to ensure that the Common Application Form is correctly filled up stating therein, the ASBA Account (in case of Application through ASBA process) in which an amount equivalent to the amount payable on Application as stated in the Common Application Form will be blocked by the SCSB.

**Applicants should note that they should very carefully fill-in their depository account details and PAN number in the Common Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB). Incorrect depository account details or PAN number could lead to rejection of the Application. For details see 'Grounds for Technical Rejection' on page 113 of this Draft Letter of Offer. Our Company, the Registrar and the SCSB shall not be liable for any incorrect demat details provided by the Applicants.**

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, see '*Application on Plain Paper under ASBA process*' on page 109 of this Draft Letter of Offer.

#### **Options available to the Eligible Equity Shareholders**

The Rights Entitlement Letter will clearly indicate the number of Rights Shares that the Eligible Equity Shareholder is entitled to.

If the Eligible Equity Shareholder applies in this Issue, then such Eligible Equity Shareholder can:

- (i) Apply for its Rights Shares to the full extent of its Rights Entitlements; or



- (ii) Apply for its Rights Shares to the extent of part of its Rights Entitlements (without renouncing the other part); or
- (iii) Apply for Rights Shares to the extent of part of its Rights Entitlements and renounce the other part of its Rights Entitlements; or
- (iv) Apply for its Rights Shares to the full extent of its Rights Entitlements and apply for additional Rights Shares; or
- (v) Renounce its Rights Entitlements in full.

#### **PROCEDURE FOR APPLICATION THROUGH THE ASBA PROCESS**

An investor, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with an SCSB, prior to making the Application. Investors desiring to make an Application in this Issue through ASBA process, may submit the Common Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Investors should ensure that they have correctly submitted the Common Application Form, or have otherwise provided an authorization to the SCSB, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Money mentioned in the Common Application Form, as the case may be, at the time of submission of the Application.

#### ***Self-Certified Syndicate Banks***

For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process, please refer to <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>. For details on Designated Branches of SCSBs collecting the Common Application Form, please refer the above-mentioned link.

**Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, ASBA Applications may be submitted at the Designated Branches of the SCSBs, in case of Applications made through ASBA facility.**

The Company, its directors, employees, affiliates, associates and their respective directors and officers and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions, and commissions etc., in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

#### **Acceptance of this Issue**

Investors may accept this Issue and apply for the Rights Shares (i) by submitting the Common Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Please note that on the Issue Closing Date for Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the BSE Limited.

**Applications submitted to anyone other than the Designated Branches of the SCSB are liable to be rejected.**

Investors can also make Application on plain paper under ASBA process mentioning all necessary details as mentioned under the section '*Application on Plain Paper under ASBA process*' on page 109 of this Draft Letter of Offer.

#### **Additional Rights Shares**

Investors are eligible to apply for additional Rights Shares over and above their Rights Entitlements, provided that they are eligible to apply for Rights Shares under applicable law and they have applied for all the Rights Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Where the number of additional Rights Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalized in consultation with the Designated Stock Exchange. Applications for additional Rights Shares shall be considered and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner prescribed under the section '*Basis of Allotment*' on page 117 of this Draft Letter of Offer.

#### **Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for additional Rights Shares**

Non-resident Renouncees who are not Eligible Equity Shareholders cannot apply for additional Rights Shares.

Resident Eligible Equity Shareholders who hold Equity Shares in physical form as on the Record Date cannot renounce until the details of their demat account are provided to our Company or the Registrar and the dematerialized Rights Entitlements are transferred from suspense escrow demat account to the respective demat accounts of such Eligible Equity Shareholders within prescribed timelines. However, Such Eligible Equity Shareholders, where the dematerialized Rights Entitlements are transferred from the suspense escrow demat account to the respective demat accounts within prescribed timelines, can apply for additional Rights Shares while submitting the Application through ASBA process.

## **PROCEDURE FOR RENUNCIATION OF RIGHTS ENTITLEMENTS**

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part (a) by using the secondary market platform of the BSE Limited; or (b) through an off-market transfer, during the Renunciation Period. The Investors should have the demat Rights Entitlements credited/lying in his/ her own demat account prior to the renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

Investors may be subject to adverse foreign, state, or local tax or legal consequences as a result of trading in the Rights Entitlements. Investors who intend to trade in the Rights Entitlements should consult their tax advisor or stock broker regarding any cost, applicable taxes, charges and expenses (including brokerage) that may be levied for trading in Rights Entitlements. Our Company accept no responsibility to bear or pay any cost, applicable taxes, charges and expenses (including brokerage), and such costs will be incurred solely by the Investors.

Please note that the Rights Entitlements which are neither renounced nor subscribed by the Investors on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.

### **On Market Renunciation**

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts by trading/selling them on the secondary market platform of the BSE Limited through a registered stock broker in the same manner as the existing Equity Shares of our Company.

In this regard, in terms of provisions of the SEBI ICDR Regulations and the SEBI Rights Issue Circulars, the Rights Entitlements credited to the respective demat accounts of the Eligible Equity Shareholders shall be admitted for trading on the BSE Limited under RE ISIN [●] subject to requisite approvals. The details for trading in Rights Entitlements will be as specified by the BSE Limited from time to time.

The Rights Entitlements are tradable in dematerialized form only. The market lot for trading of Rights Entitlements is one Rights Entitlement.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, i.e., from [●] to [●] (both days inclusive).

The Investors holding the Rights Entitlements who desire to sell their Rights Entitlements will have to do so through their registered stock brokers by quoting the RE ISIN [●] and indicating the details of the Rights Entitlements they intend to sell. The Investors can place order for sale of Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The On Market Renunciation shall take place electronically on secondary market platform of BSE under automatic order matching mechanism and on 'T+2 rolling settlement bases, where 'T' refers to the date of trading. The transactions will be settled on trade-for-trade basis. Upon execution of the order, the stock broker will issue a contract note in accordance with the requirements of the BSE Limited and the SEBI.

### **Off Market Renunciation**

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts by way of an off-market transfer through a depository participant. The Rights Entitlements can be transferred in dematerialized form only.

Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.

The Investors holding the Rights Entitlements who desire to transfer their Rights Entitlements will have to do so through their depository participant by issuing a delivery instruction slip quoting the RE ISIN [●], the details of the buyer and the details of the Rights Entitlements they intend to transfer. The buyer of the Rights Entitlements (unless already having given a standing receipt instruction) has to issue a receipt instruction slip to their depository participant. The Investors can transfer Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The instructions for transfer of Rights Entitlements can be issued during the working hours of the depository participants.

The detailed rules for transfer of Rights Entitlements through off-market transfer shall be as specified by the NSDL and CDSL from time to time.

## APPLICATION ON PLAIN PAPER UNDER ASBA PROCESS

An Eligible Equity Shareholder who is eligible to apply under the ASBA process may make an application to subscribe to this Issue on plain paper, in case of non-receipt of Common Application Form through e-mail or physical delivery (where applicable) and the Eligible Equity Shareholder not being in a position to obtain it from any other source. An Eligible Equity Shareholder shall submit the plain paper Application to the Designated Branch of the SCSB for authorizing such SCSB to block Application Money in the said bank account maintained with the same SCSB. Applications on plain paper will not be accepted from any address outside India.

Please note that the Eligible Equity Shareholders who are making the Application on plain paper shall not be entitled to renounce their Rights Entitlements and should not utilize the Common Application Form for any purpose including renunciation even if it is received subsequently.

The application on plain paper, duly signed by the Eligible Equity Shareholder including joint holders, in the same order and as per specimen recorded with his bank, must reach the office of the Designated Branch of the SCSB before the Issue Closing Date and should contain the following particulars:

1. Name of our Company, being Rajnish Wellness Limited’;
2. Name and address of the Eligible Equity Shareholder including joint holders (in the same order and as per specimen recorded with our Company or the Depository);
3. Registered Folio Number/ DP and Client ID No.;
4. Number of Equity Shares held as on Record Date;
5. Allotment option – only dematerialized form;
6. Number of Rights Shares entitled to;
7. Number of Rights Shares applied for within the Rights Entitlements;
8. Number of additional Rights Shares applied for, if any;
9. Total number of Rights Shares applied for;
10. Total amount paid at the rate of ₹ [●] /- per Rights Share;
11. Details of the ASBA Account such as the account number, name, address and branch of the relevant SCSB;
12. In case of NR Eligible Equity Shareholders making an application with an Indian address, details of the NRE/FCNR/NRO Account such as the account number, name, address and branch of the SCSB with which the account is maintained;
13. Except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Rights Shares applied for pursuant to this Issue;
14. Authorization to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;
15. Signature of the Eligible Equity Shareholder (in case of joint holders, to appear in the same sequence and order as they appear in the records of the SCSB);
16. In addition, all such Eligible Equity Shareholders are deemed to have accepted the following:

*“I/ We understand that neither the Rights Entitlements nor the Rights Shares have been, or will be, registered under the US Securities Act of 1933, as amended (the “US Securities Act”), or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof (the “United States”), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act. I/ we understand the Rights Shares referred to in this application are being offered and sold in offshore transactions outside the United States in compliance with Regulation S under the US Securities Act (“Regulation S”) to existing shareholders located in jurisdictions where such offer and sale of the Equity Shares is permitted under laws of such jurisdictions. I/ we understand that the Issue is not, and under no circumstances is to be construed as, an offering of any Rights Shares or Rights Entitlements for sale in the United States, or as a solicitation therein of an offer to buy any of the said Rights Shares or Rights Entitlements in the United States. I/ we confirm that I am/ we are (a) not in the United States and eligible to subscribe for the Rights Shares under applicable securities laws, (b) complying with laws of jurisdictions applicable to such person in connection with the Issue, and (c) understand that neither the Company, nor the Registrar or any other person acting on behalf of the Company will accept subscriptions from any person, or the agent of any person, who appears to be, or who the Company, the Registrar or any other person acting on behalf of the Company have reason to believe is in the United States or is outside of India and United States and ineligible to participate in this Issue under the securities laws of their jurisdiction.*

*I/ We will not offer, sell or otherwise transfer any of the Rights Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation. I/ We satisfy, and each account for which I/ we are acting satisfies, (a) all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of my/our residence, and (b) is eligible to subscribe and is subscribing for the Rights Shares and Rights Entitlements in compliance with applicable securities and other laws of our jurisdiction of residence.*

*I/we hereby make the representations, warranties, acknowledgments and agreements set forth in the section of the Draft Letter of Offer.*

*I/ We understand and agree that the Rights Entitlements and Rights Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S, or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.*

In cases where multiple Common Application Forms are submitted for Applications pertaining to Rights Entitlements credited to the same demat account or in demat suspense escrow account, including cases where an Investor submits Common Application Forms along with a plain paper Application, such Applications shall be liable to be rejected.

Investors are requested to strictly adhere to these instructions. Failure to do so could result in an Application being rejected, with our Company and the Registrar not having any liability to the Investor. The plain paper Application format will be available on the website of the Registrar at [www.bigshareonline.com](http://www.bigshareonline.com).

Our Company and the Registrar shall not be responsible if the Applications are not uploaded by SCSB or funds are not blocked in the Investors' ASBA Accounts on or before the Issue Closing Date.

#### **MODE OF PAYMENT**

All payments against the Common Application Forms shall be made only through ASBA facility. The Registrar will not accept any payments against the Common Application Forms, if such payments are not made through ASBA facility.

In case of Application through ASBA facility, the Investor agrees to block the amount payable on Application with the submission of the Common Application Form, by authorizing the SCSB to block an amount, equivalent to the amount payable on Application, in the Investor's ASBA Account.

After verifying that sufficient funds are available in the ASBA Account details of which are provided in the Common Application Form, the SCSB shall block an amount equivalent to the Application Money mentioned in the Common Application Form until the Transfer Date. On the Transfer Date, upon receipt of intimation from the Registrar, of the receipt of minimum subscription and pursuant to the finalization of the Basis of Allotment as approved by the Designated Stock Exchange, the SCSBs shall transfer such amount as per the Registrar's instruction from the ASBA Account into the Allotment Account which shall be a separate bank account maintained by our Company, other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013.

The balance amount remaining after the finalization of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB.

The Investors would be required to give instructions to the respective SCSBs to block the entire amount payable on their Application at the time of the submission of the Common Application Form.

The SCSB may reject the application at the time of acceptance of Common Application Form if the ASBA Account, details of which have been provided by the Investor in the Common Application Form does not have sufficient funds equivalent to the amount payable on Application mentioned in the Common Application Form. Subsequent to the acceptance of the Application by the SCSB, our Company would have a right to reject the Application on technical grounds as set forth hereinafter.

#### **APPLICATION BY ELIGIBLE EQUITY SHAREHOLDERS HOLDING EQUITY SHARES IN PHYSICAL FORM**

Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Rights Shares shall be made in dematerialized form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Rights in this Issue are advised to furnish the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date.

Prior to the Issue Opening Date, the Rights Entitlements of those resident Eligible Equity Shareholders, among others, who hold Equity Shares in physical form, and whose demat account details are not available with our Company or the Registrar, shall be credited in a demat suspense escrow account opened by our Company. In the event, the relevant details of the demat accounts of such Eligible Equity Shareholders are not received during the Issue Period, then their Rights Entitlements kept in the suspense escrow demat account shall lapse.

To update respective email addresses/ mobile numbers in the records maintained by the Registrar or our Company, Eligible Equity Shareholders should visit [www.bigshareonline.com](http://www.bigshareonline.com).

#### **PROCEDURE FOR APPLICATION BY ELIGIBLE EQUITY SHAREHOLDERS HOLDING EQUITY SHARES IN PHYSICAL FORM**

Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date, i.e. [●] and who have opened their demat accounts after the Record Date, shall adhere to following procedure for participating in this Issue:

- (a) The Eligible Equity Shareholders shall send a letter to the Registrar containing the name(s), address, email address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either by email, post, speed post, courier, or hand delivery so as to reach to the Registrar no later than two Working Days prior to the Issue Closing Date;
- (b) The Registrar shall, after verifying the details of such demat account, transfer the Rights Entitlements of such Eligible Equity Shareholders to their demat accounts at least one day before the Issue Closing Date;
- (c) The Eligible Equity Shareholders can access the Common Application Form from:

Access of Documents on the website of	URL of websites
Company	<a href="http://www.rajnishwellness.com">www.rajnishwellness.com</a>
Registrar to the Issue	<a href="http://www.bigshareonline.com">www.bigshareonline.com</a>
BSE Limited	<a href="http://www.bseindia.com">www.bseindia.com</a>

- (d) Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar (i.e. [www.bigshareonline.com](http://www.bigshareonline.com)) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company (i.e. [www.rajnishwellness.com](http://www.rajnishwellness.com));
- (e) The Eligible Equity Shareholders shall, on or before the Issue Closing Date, submit the Common Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

**PLEASE NOTE THAT NON-RESIDENT ELIGIBLE EQUITY SHAREHOLDERS, WHO HOLD EQUITY SHARES IN PHYSICAL FORM AS ON RECORD DATE, i.e. [●] AND WHO HAVE NOT FURNISHED THE DETAILS OF THEIR RESPECTIVE DEMAT ACCOUNTS TO THE REGISTRAR OR OUR COMPANY AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE, SHALL NOT BE ELIGIBLE TO MAKE AN APPLICATION FOR RIGHTS SHARES AGAINST THEIR RIGHTS ENTITLEMENTS WITH RESPECT TO THE EQUITY SHARES HELD IN PHYSICAL FORM.**

#### **ALLOTMENT OF THE RIGHTS SHARES IN DEMATERIALIZED FORM**

**PLEASE NOTE THAT THE RIGHTS SHARES APPLIED FOR IN THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH OUR EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE OR THE ISSUE CLOSING DATE, AS THE CASE MAY BE.**

#### **GENERAL INSTRUCTIONS FOR INVESTORS**

- (a) Please read this Draft Letter of Offer carefully to understand the Application process and applicable settlement process.
- (b) Please read the instructions on the Common Application Form sent to you.
- (c) The Common Application Form can be used by both the Eligible Equity Shareholders and the Renouncees.
- (d) Application should be made only through the ASBA facility.
- (e) Application should be complete in all respects. The Common Application Form found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of this Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Common Application Form are liable to be rejected. The Common Application Form must be filled in English.
- (f) In case of non-receipt of Common Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under the section 'Application on Plain Paper under ASBA process' on page 109 of this Draft Letter of Offer.
- (g) In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA.

- (h) An Investor, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with an SCSB, prior to making the Application.
- (i) Applications should be submitted to the Designated Branch of the SCSB or made online/electronic through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. Please note that on the Issue Closing Date for Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the BSE Limited.
- (j) Applications should not be submitted to the Bankers to the Issue or Escrow Collection Bank (assuming that such Escrow Collection Bank is not an SCSB), our Company or the Registrar.
- (k) In case of Application through ASBA facility, Investors are required to provide necessary details, including details of the ASBA Account, authorization to the SCSB to block an amount equal to the Application Money in the ASBA Account mentioned in the Common Application Form.
- (l) All Applicants, and in the case of Application in joint names, each of the joint Applicants, should mention their PAN allotted under the Income-tax Act, irrespective of the amount of the Application. Except for Applications on behalf of the Central or the State Government, the residents of Sikkim and the officials appointed by the courts, **Applications without PAN will be considered incomplete and are liable to be rejected. With effect from August 16, 2010, the demat accounts for Investors for which PAN details have not been verified shall be “suspended for credit” and no Allotment and credit of Rights Shares pursuant to this Issue shall be made into the accounts of such Investors. Further, in case of Application in joint names, each of the joint Applicants should sign the Common Application Form.**
- (m) In case of Application through ASBA facility, all payments will be made only by blocking the amount in the ASBA Account. Cash payment or payment by cheque or demand draft or pay order or NEFT or RTGS or through any other mode is not acceptable for application through ASBA process. In case payment is made in contravention of this, the Application will be deemed invalid and the Application Money will be refunded and no interest will be paid thereon.
- (n) For physical Applications through ASBA at Designated Branches of SCSB, signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in any such language or thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Investors must sign the Application as per the specimen signature recorded with the SCSB.
- (o) In case of joint holders and physical Applications through ASBA process, all joint holders must sign the relevant part of the Common Application Form in the same order and as per the specimen signature(s) recorded with the SCSB. In case of joint Applicants, reference, if any, will be made in the first Applicant's name and all communication will be addressed to the first Applicant.
- (p) All communication in connection with Application for the Rights Shares, including any change in address of the Eligible Equity Shareholders should be addressed to the Registrar prior to the date of Allotment in this Issue quoting the name of the first/sole Applicant, folio numbers/DP ID and Client ID and Common Application Form number, as applicable. In case of any change in address of the Eligible Equity Shareholders, the Eligible Equity Shareholders should also send the intimation for such change to the respective depository participant, or to our Company or the Registrar in case of Eligible Equity Shareholders holding Equity Shares in physical form.
- (q) Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, Applications made through ASBA facility may be submitted at the Designated Branches of the SCSBs. Application through ASBA facility in electronic mode will only be available with such SCSBs who provide such facility.
- (r) In terms of the SEBI circular CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making applications by banks on their own account using ASBA facility, SCSBs should have a separate account in own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making application in public/ rights issues and clear demarcated funds should be available in such account for ASBA applications.
- (s) Investors are required to ensure that the number of Rights Shares applied for by them do not exceed the prescribed limits under the applicable law.
- (t) An Applicant being an OCB is required not to be under the adverse notice of the RBI and must submit approval from RBI for applying in this Issue.

**Do's:**

- (a) Ensure that the Common Application Form and necessary details are filled in.
- (b) Except for Application submitted on behalf of the Central or the State Government, residents of Sikkim and the officials appointed by the courts, each Applicant should mention their PAN allotted under the Income-tax Act.
- (c) Ensure that the demographic details such as address, PAN, DP ID, Client ID, bank account details and occupation (**‘Demographic Details’**) are updated, true and correct, in all respects.

- (d) Investors should provide correct DP ID and client ID/ folio number while submitting the Application. Such DP ID and Client ID/ folio number should match the demat account details in the records available with Company and/or Registrar, failing which such Application is liable to be rejected. Investor will be solely responsible for any error or inaccurate detail provided in the Application. Our Company, SCSBs or the Registrar will not be liable for any such rejections.
- (e) Ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as the Rights Shares will be Allotted in the dematerialized form only.
- (f) Ensure that the Applications are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the Application.
- (g) Ensure that there are sufficient funds (equal to {number of Rights Shares (including additional Rights Shares) applied for} X {Application Money of Rights Equity Shares}) available in ASBA Account mentioned in the Common Application Form before submitting the Application to the respective Designated Branch of the SCSB.
- (h) Ensure that you have authorized the SCSB for blocking funds equivalent to the amount payable on application mentioned in the Common Application Form, in the ASBA Account, of which details are provided in the Application and have signed the same.
- (i) Ensure that you have a bank account with an SCSB providing ASBA facility in your location and the Application is made through that SCSB providing ASBA facility in such location.
- (j) Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the Common Application Form in physical form or plain paper Application.
- (k) Ensure that the name(s) given in the Common Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Common Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Common Application Form and the Rights Entitlement Letter.

**Don'ts:**

- (a) Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction.
- (b) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.
- (c) Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application.
- (d) Do not pay the Application Money in cash, by money order, pay order or postal order.
- (e) Do not submit multiple Applications.
- (f) Do not submit the Common Application Form after you have submitted a plain paper Application to a Designated Branch of the SCSB or *vice versa*.
- (g) Do not send your physical Application to the Registrar, the Escrow Collection Bank (assuming that such Escrow Collection Bank is not an SCSB), a branch of the SCSB which is not a Designated Branch of the SCSB or our Company; instead submit the same to a Designated Branch of the SCSB only.
- (h) Do not instruct the SCSBs to unblock the funds blocked under the ASBA process.

**Grounds for Technical Rejection**

Applications made in this Issue are liable to be rejected on the following grounds:

- (a) DP ID and Client ID mentioned in Application not matching with the DP ID and Client ID records available with the Registrar.
- (b) Sending an Application to the Registrar, Escrow Collection Banks (assuming that such Escrow Collection Bank is not a SCSB), to a branch of a SCSB which is not a Designated Branch of the SCSB or our Company.
- (c) Insufficient funds are available in the ASBA Account with the SCSB for blocking the Application Money.
- (d) Funds in the ASBA Account whose details are mentioned in the Common Application Form having been frozen pursuant to regulatory orders.
- (e) Account holder not signing the Application or declaration mentioned therein.



- (f) Submission of more than one Common Application Form for Rights Entitlements available in a particular demat account.
- (g) Multiple Common Application Forms, including cases where an Investor submits Common Application Forms along with a plain paper Application.
- (h) Submitting the GIR number instead of the PAN (except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts).
- (i) Applications by persons not competent to contract under the Indian Contract Act, 1872, except Applications by minors having valid demat accounts as per the demographic details provided by the Depositories.
- (j) Applications by SCSB on own account, other than through an ASBA Account in its own name with any other SCSB.
- (k) Common Application Forms which are not submitted by the Investors within the time periods prescribed in the Common Application Form and the Letter of Offer.
- (l) Physical Common Application Forms not duly signed by the sole or joint Investors.
- (m) Common Application Forms accompanied by stock invest, outstation cheques, post-dated cheques, money order, postal order or outstation demand drafts.
- (n) If an Investor is (a) debarred by SEBI; or (b) if SEBI has revoked the order or has provided any interim relief then failure to attach a copy of such SEBI order allowing the Investor to subscribe to their Rights Entitlements.
- (o) Applications which: (i) does not include the certifications set out in the Common Application Form; (ii) appears to us or our agents to have been executed in or dispatched from a Restricted Jurisdiction; (iii) where a registered Indian address is not provided; or (iv) where our Company believes that Common Application Form is incomplete or acceptance of such Common Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to allot or issue any Rights Shares in respect of any such Common Application Form.
- (p) Applications which have evidence of being executed or made in contravention of applicable securities laws.

**Depository account and bank details for Investors holding Equity Shares in demat accounts and applying in this Issue**

**IT IS MANDATORY FOR ALL THE INVESTORS APPLYING UNDER THIS ISSUE TO APPLY THROUGH THE ASBA PROCESS, TO RECEIVE THEIR RIGHTS SHARES IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY THE INVESTOR AS ON THE RECORD DATE. ALL INVESTORS APPLYING UNDER THIS ISSUE SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DP ID AND BENEFICIARY ACCOUNT NUMBER/ FOLIO NUMBER IN THE COMMON APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE COMMON APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE COMMON APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE COMMON APPLICATION FORM OR PLAIN PAPER APPLICATIONS, AS THE CASE MAY BE.**

**Investors applying under this Issue should note that on the basis of name of the Investors, Depository Participant's name and identification number and beneficiary account number provided by them in the Common Application Form or the plain paper Applications, as the case may be, the Registrar will obtain Demographic Details from the Depository. Hence, Investors applying under this Issue should carefully fill in their Depository Account details in the Application.**

These Demographic Details would be used for all correspondence with such Investors including mailing of the letters intimating unblocking of bank account of the respective Investor and/or refund. The Demographic Details given by the Investors in the Common Application Form would not be used for any other purposes by the Registrar. Hence, Investors are advised to update their Demographic Details as provided to their Depository Participants.

By signing the Common Application Forms, the Investors would be deemed to have authorized the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

**The Allotment advice and the email intimating unblocking of ASBA Account or refund (if any) would be emailed to the address of the Investor as per the email address provided to our Company or the Registrar or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Rights Shares are not Allotted to such Investor. Please note that any such delay shall be at the sole risk of the Investors and none of our Company, the SCSBs, Registrar shall be liable to compensate the Investor for any losses caused due to any such delay or be liable to pay any interest for such delay.**



In case no corresponding record is available with the Depositories that match three parameters, (a) names of the Investors (including the order of names of joint holders), (b) the DP ID, and (c) the beneficiary account number, then such Common Application Forms are liable to be rejected.

## **MODES OF PAYMENT**

All payments against the Common Application Forms shall be made only through ASBA facility. The Registrar will not accept any payments against the Common Application Forms, if such payments are not made through ASBA facility.

In case of Application through ASBA facility, the Investor agrees to block the amount payable on Application with the submission of the Common Application Form, by authorizing the SCSB to block an amount, equivalent to the amount payable on Application, in the Investor's ASBA Account.

After verifying that sufficient funds are available in the ASBA Account details of which are provided in the Common Application Form, the SCSB shall block an amount equivalent to the Application Money mentioned in the Common Application Form until the Transfer Date. On the Transfer Date, upon receipt of intimation from the Registrar, of the receipt of minimum subscription and pursuant to the finalization of the Basis of Allotment as approved by the Designated Stock Exchange, the SCSBs shall transfer such amount as per the Registrar's instruction from the ASBA Account into the Allotment Account which shall be a separate bank account maintained by our Company, other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013. The balance amount remaining after the finalization of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB.

The balance amount remaining after the finalization of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB.

The Investors would be required to give instructions to the respective SCSBs to block the entire amount payable on their application at the time of the submission of the Common Application Form.

The SCSB may reject the application at the time of acceptance of Common Application Form if the ASBA Account, details of which have been provided by the Investor in the Common Application Form does not have sufficient funds equivalent to the amount payable on Application mentioned in the Common Application Form. Subsequent to the acceptance of the Application by the SCSB, our Company would have a right to reject the Application on technical grounds as set forth hereinafter.

### ***Mode of payment for Resident Investors***

- (a) Ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as the Rights Shares will be Allotted in the dematerialized form only.
- (b) Ensure that the Applications are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the Application.
- (c) Ensure that there are sufficient funds (equal to {number of Rights Shares (including additional Rights Shares) applied for} X {Application Money of Rights Shares}) available in ASBA Account mentioned in the Common Application Form before submitting the Application to the respective Designated Branch of the SCSB.
- (d) Ensure that you have authorized the SCSB for blocking funds equivalent to the amount payable on application mentioned in the Common Application Form, in the ASBA Account, of which details are provided in the Application and have signed the same.
- (e) Ensure that you have a bank account with an SCSB providing ASBA facility in your location and the Application is made through that SCSB providing ASBA facility in such location.
- (f) Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the Common Application Form in physical form or plain paper Application.

Ensure that the name(s) given in the Common Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Common Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Common Application Form and the Rights Entitlement Letter. All payments on the Common Application Forms shall be made only through ASBA facility. Applicants are requested to strictly adhere to these instructions.

### ***Mode of payment for Non-Resident Investors***

As regards the Application by non-resident Investors, payment must be made only through the ASBA facility and using permissible accounts in accordance with the FEMA, FEMA Rules and requirements prescribed by the RBI and subject to the following conditions:

1. Individual non-resident Indian Applicants who are permitted to subscribe to Rights Shares by applicable local securities laws can obtain Common Application Forms on the websites of the Registrar, our Company.

*Note: In case of non-resident Eligible Equity Shareholders, the Abridged Letter of Offer, the Rights Entitlement Letter and the Common Application Form shall be sent to their email addresses if they have provided their Indian address to our Company or if they are located in certain jurisdictions (other than the United States and India) where the offer and sale of the Rights Shares is permitted under laws of such jurisdictions and does not result in and may not be construed as, a public offering such jurisdiction. The Letter of Offer will be provided, only through email, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Shares is permitted under laws of such jurisdictions and does not result in and may not be construed as, a public offering in such jurisdictions and in each case who make a request in this regard.*

2. Common Application Forms will not be accepted from non-resident Investors in any jurisdiction where the offer or sale of the Rights Entitlements and Rights Shares may be restricted by applicable securities laws.
3. Payment by non-residents must be made only through ASBA facility and using permissible accounts in accordance with FEMA, FEMA Rules and requirements prescribed by the RBI.

**Notes:**

1. In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Rights Shares can be remitted outside India, subject to tax, as applicable according to the Income-tax Act.
2. In case Rights Shares are Allotted on a non-repatriation basis, the dividend and sale proceeds of the Rights Shares cannot be remitted outside India.
3. In case of a Common Application Form received from non-residents, Allotment, refunds and other distribution, if any, will be made in accordance with the guidelines and rules prescribed by the RBI as applicable at the time of making such Allotment, remittance and subject to necessary approvals.
4. Common Application Forms received from non-residents/ NRIs, or persons of Indian origin residing abroad for Allotment of Rights Shares shall, amongst other things, be subject to conditions, as may be imposed from time to time by RBI under FEMA, in respect of matters including Refund of Application Money and Allotment.
5. In the case of NRIs who remit their Application Money from funds held in FCNR/NRE Accounts, refunds and other disbursements, if any shall be credited to such account.
6. Non-resident Renouncees who are not Eligible Equity Shareholders must submit regulatory approval for applying for additional Rights Shares.

**Multiple Applications**

In case where multiple Applications are made using same demat account, such Applications shall be liable to be rejected. A separate Application can be made in respect of Rights Entitlements in each demat account of the Investors and such Applications shall not be treated as multiple applications. Similarly, a separate Application can be made against Equity Shares held in dematerialized form and Equity Shares held in physical form, and such Applications shall not be treated as multiple applications. A separate Application can be made in respect of each scheme of a mutual fund registered with SEBI and such Applications shall not be treated as multiple applications. For details, see '**Procedure for Applications by Mutual Funds**' on page 121 of this Draft Letter of Offer.

In cases where multiple Common Application Forms are submitted, including cases where an Investor submits Common Application Forms along with a plain paper Application or multiple plain paper Applications, such Applications shall be treated as multiple applications and are liable to be rejected, other than multiple applications submitted by any of our Promoters or members of Promoter Group to meet the minimum subscription requirements applicable to this Issue as described in '**Capital Structure – Intention and extent of participation by our Promoters and Promoter Group**' on page 36 of this Draft Letter of Offer.

**Last date for Application**

The last date for submission of the duly filled in the Common Application Form or a plain paper Application is [●], i.e., Issue Closing Date. Our Board or any committee thereof may extend the said date for such period as it may determine from time to time, subject to the Issue Period not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

If the Common Application Form is not submitted with an SCSB, uploaded with the BSE Limited and the Application Money is not blocked with the SCSB, on or before the Issue Closing Date or such date as may be extended by our Board or any committee thereof, the invitation to offer contained in

the Letter of Offer shall be deemed to have been declined and our Board or any committee thereof shall be at liberty to dispose of the Rights Shares hereby offered, as provided under the paragraph titled 'Basis of Allotment' on page 117 of this Draft Letter of Offer.

Please note that on the Issue Closing Date for Applications through ASBA process shall be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the BSE Limited.

Please ensure that the Common Application Form and necessary details are filled in. In place of Application number, Investors can mention the reference number of the e-mail received from Registrar informing about their Rights Entitlement or last eight digits of the demat account. Alternatively, SCSBs may mention their internal reference number in place of application number.

### Withdrawal of Application

An Investor who has applied in this Issue may withdraw their Application at any time during Issue Period by approaching the SCSB where application is submitted. However, no Investor, applying through ASBA facility, may withdraw their Application post the Issue Closing Date.

### Issue Schedule

LAST DATE FOR CREDIT OF RIGHTS ENTITLEMENTS	[●]
ISSUE OPENING DATE	[●]
LAST DATE FOR ON MARKET RENUNCIATION*	[●]
ISSUE CLOSING DATE <sup>#</sup>	[●]
FINALISATION OF BASIS OF ALLOTMENT (ON OR ABOUT)	[●]
DATE OF ALLOTMENT (ON OR ABOUT)	[●]
DATE OF CREDIT (ON OR ABOUT)	[●]
DATE OF LISTING (ON OR ABOUT)	[●]

\* Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.

<sup>#</sup>Our Board or a duly authorized committee thereof will have the right to extend the Issue period as it may determine from time to time, provided that this Issue will not remain open in excess of 30 (Thirty) days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date, i.e. [●].

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, i.e. [●], have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two (2) Working Days prior to the Issue Closing Date, i.e., [●] to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date, i.e [●].

For details, please see the section titled 'General Information - Issue Schedule' on page 33 of this Draft Letter of Offer.

### BASIS OF ALLOTMENT

Subject to the provisions contained in the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Common Application Form, the Articles of Association and the approval of the Designated Stock Exchange, our Board or duly authorized committee will proceed to Allot the Rights Shares in the following order of priority:

- Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlements of Rights Shares either in full or in part and also to the Renouncee(s) who has or have applied for Rights Shares renounced in their favor, in full or in part.
- Eligible Equity Shareholders whose fractional entitlements are being ignored and Eligible Equity Shareholders with zero entitlement, would be given preference in allotment of one additional Rights Share each if they apply for additional Rights Shares. Allotment under this head shall be considered if there are any unsubscribed Rights Shares after allotment under (a) above. If number of Rights Shares required for Allotment under this head are more than the number of Rights Shares available after Allotment under (a) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange and will not be a preferential allotment.
- Allotment to the Eligible Equity Shareholders who having applied for all the Rights Shares offered to them as part of this Issue, have also applied for additional Rights Shares. The Allotment of such additional Rights Shares will be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, i.e. [●], provided there are any unsubscribed Rights Shares after making full Allotment in (a) and (b) above. The Allotment of such Rights Shares will be at the sole discretion of our Board or our duly authorized committee in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.

- (d) Allotment to Renouncees who having applied for all the Rights Shares renounced in their favor, have applied for additional Rights Shares provided there is surplus available after making full Allotment under (a), (b) and (c) above. The Allotment of such Rights Shares will be made on a proportionate basis in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.
- (e) Allotment to any other person, that our Board or a duly authorized committee may deem fit, provided there is surplus available after making Allotment under (a), (b), (c) and (d) above, and the decision of our Board or a duly authorized committee in this regard shall be final and binding.

After taking into account Allotment to be made under (a) to (d) above, if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed'.

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall send to the Controlling Branches, a list of the Investors who have been allocated Rights Shares in this Issue, along with:

1. The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for this Issue, for each successful Application;
2. The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and
3. The details of rejected ASBA applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

#### **ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS**

Our Company will send/ dispatch Allotment advice, refund intimations (or demat credit of securities and/or letters of regret, only to the Eligible Equity Shareholders who have provided Indian address. In case such Eligible Equity Shareholders have provided their valid e-mail address, Allotment advice, refund intimations or demat credit of securities and/or letters of regret will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Allotment advice, refund intimations or demat credit of securities and/or letters of regret will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them; along with crediting the Allotted Equity Shares to the respective beneficiary accounts (only in dematerialized mode) or in a demat suspense account (in respect of Eligible Equity Shareholders holding Equity Shares in physical form on the Allotment Date) or issue instructions for unblocking the funds in the respective ASBA Accounts, if any, within a period of on or before T+1 day (T: Basis of allotment day). In case of failure to do so, our Company shall pay interest at 15% p.a. or such other rate as specified under applicable law from the expiry of such 15 days' period.

The Rights Entitlements will be credited in the dematerialized form using electronic credit under the depository system and the Allotment advice shall be sent, through email, to the email address provided to our Company or at the address recorded with the Depository.

In the case of non-resident Investors who remit their Application Money from funds held in the NRE or the FCNR Accounts, refunds and/or payment of interest or dividend and other disbursements, if any, shall be credited to such accounts.

Where an Applicant has applied for additional Equity Shares in the Issue and is Allotted a lesser number of Equity Shares than applied for, the excess Application Money paid/blocked shall be refunded/unblocked. The unblocking of ASBA funds / refund of monies shall be completed be within such period as prescribed under the SEBI ICDR Regulations. In the event that there is a delay in making refunds beyond such period as prescribed under applicable law, our Company shall pay the requisite interest at such rate as prescribed under applicable law.

#### **PAYMENT OF REFUND**

##### ***Mode of making refunds***

The payment of refund, if any, including in the event of oversubscription or failure to list or otherwise would be done through any of the following modes.

- (a) Unblocking amounts blocked using ASBA facility.
- (b) NACH – National Automated Clearing House is a consolidated system of electronic clearing service. Payment of refund would be done through NACH for Applicants having an account at one of the centers specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including MICR code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centers where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where Applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS.
- (c) National Electronic Fund Transfer (“**NEFT**”) – Payment of refund shall be undertaken through NEFT wherever the Investors' bank has been assigned the Indian Financial System Code (“**IFSC Code**”), which can be linked to a MICR, allotted to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Investors have registered their nine-digit MICR number and their bank account number with the Registrar to our Company or with

the Depository Participant while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Investors through this method.

- (d) Direct Credit – Investors having bank accounts with the Bankers to the Issue shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for the same would be borne by our Company.
- (e) RTGS – If the refund amount exceeds ₹ 2,00,000, the Investors have the option to receive refund through RTGS. Such eligible Investors who indicate their preference to receive refund through RTGS are required to provide the IFSC Code in the Common Application Form. In the event the same is not provided, refund shall be made through NACH or any other eligible mode. Charges, if any, levied by the refund bank(s) for the same would be borne by our Company. Charges, if any, levied by the Investor's bank receiving the credit would be borne by the Investor.
- (f) For all other Investors, the refund orders will be dispatched through speed post or registered post subject to applicable laws. Such refunds will be made by cheques, pay orders or demand drafts drawn in favor of the sole/first Investor and payable at par.
- (g) Credit of refunds to Investors in any other electronic manner, permissible by SEBI from time to time.

#### ***Refund payment to non-residents***

The Application Money will be unblocked in the FCNR/NRE Account of the non-resident Applicants, details of which were provided in the Common Application Form.

#### **Allotment Advice or Demat Credit of Securities**

The demat credit of securities to the respective beneficiary accounts or the demat suspense account (in case of credit of the Rights Shares returned/reversed/ failed) will be credited within 15 days from the Issue Closing Date or such other timeline in accordance with applicable laws.

#### ***Receipt of the Rights Shares in Dematerialized Form***

**PLEASE NOTE THAT THE RIGHTS SHARES APPLIED FOR UNDER THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO (A) THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE, OR (B) THE DEPOSITORY ACCOUNT, DETAILS OF WHICH HAVE BEEN PROVIDED TO OUR COMPANY OR THE REGISTRAR AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE BY THE ELIGIBLE EQUITY SHAREHOLDER HOLDING EQUITY SHARES IN PHYSICAL FORM AS ON THE RECORD DATE, OR (C) DEMAT SUSPENSE ACCOUNT PENDING RECEIPT OF DEMAT ACCOUNT DETAILS FOR RESIDENT ELIGIBLE EQUITY SHAREHOLDERS WHERE THE CREDIT OF THE RIGHTS SHARES RETURNED/REVERSED/FAILED.**

Investors shall be Allotted the Rights Shares in dematerialized (electronic) form. Our Company has signed an agreement dated November 30, 2011 with NSDL and an agreement dated October 25, 2011 with CDSL which enables the Investors to hold and trade in the securities issued by our Company in a dematerialized form, instead of holding the Equity Shares in the form of physical certificates.

**INVESTORS MAY PLEASE NOTE THAT THE EQUITY SHARES CAN BE TRADED ON THE BSE LIMITED ONLY IN DEMATERIALIZED FORM.**

The procedure for availing the facility for Allotment of Rights Shares in this Issue in the dematerialized form is as under:

1. Open a beneficiary account with any depository participant (care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in the records of our Company). In case of Investors having various folios in our Company with different joint holders, the Investors will have to open separate accounts for such holdings. Those Investors who have already opened such beneficiary account(s) need not adhere to this step.
2. It should be ensured that the depository account is in the name(s) of the Investors and the names are in the same order as in the records of our Company or the Depositories.
3. The responsibility for correctness of information filled in the Common Application Form *vis-a-vis* such information with the Investor's depository participant, would rest with the Investor. Investors should ensure that the names of the Investors and the order in which they appear in Common Application Form should be the same as registered with the Investor's depository participant.
4. If incomplete or incorrect beneficiary account details are given in the Common Application Form, the Investor will not get any Rights Shares and the Common Application Form will be rejected.
5. The Rights Shares will be allotted to Applicants only in dematerialized form and would be directly credited to the beneficiary account as given in the Common Application Form after verification or demat suspense account (pending receipt of demat account details for resident Eligible Equity Shareholders holding Equity Shares in physical form/ with IEPF authority/ in suspense, *etc.*). Allotment advice, refund order (if any) would be sent directly to the Applicant by email and, if the printing is feasible, through physical dispatch, by the Registrar but the Applicant's depository participant will provide to him the confirmation of the credit of such Rights Shares to the Applicant's depository account.

6. Non-transferable Allotment advice/ refund intimation will be directly sent to the Investors by the Registrar, by email and, if the printing is feasible, through physical dispatch.
7. Renouncees will also have to provide the necessary details about their beneficiary account for Allotment of Rights Shares in this Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected.

### **Procedure for Applications by FPIs**

In terms of applicable FEMA Rules and the SEBI FPI Regulations, investments by FPIs in the Equity Shares is subject to certain limits, *i.e.*, the individual holding of an FPI (including its investor group (which means multiple entities registered as foreign portfolio investors and directly and indirectly having common ownership of more than 50% of common control)) shall be below 10% of our post-Issue Equity Share capital. In case the total holding of an FPI or investor group increases beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants that may be issued by our Company, the total investment made by the FPI or investor group will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will also be required to comply with applicable reporting requirements. Further, the aggregate limit of all FPIs investments, with effect from April 1, 2020, is up to the sectoral cap applicable to the sector in which our Company operates (*i.e.*, 100%).

FPIs are permitted to participate in this Issue subject to compliance with conditions and restrictions which maybe 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 an FPI against securities held by it that are listed or proposed to be listed on any recognized stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons registered as Category I FPI under the SEBI FPI Regulations; (ii) such offshore derivative instruments are issued only to persons who are eligible for registration as Category I FPIs (where an entity has an investment manager who is from the Financial Action Task Force member country, the investment manager shall not be required to be registered as a Category I FPI); (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iv) compliance with other conditions as may be prescribed by SEBI.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by or on its behalf, is carried out subject to *inter alia* the following conditions:

- (a) such offshore derivative instruments are transferred only to persons in accordance with the SEBI FPI Regulations; and
- (b) prior consent of the FPI is obtained for such transfer, except when the persons to whom the off shore derivative instruments are to be transferred to are pre – approved by the FPI.

### **Procedure for Applications by AIFs, FVCIs and VCFs**

The SEBI VCF Regulations and the SEBI FVCI Regulations prescribe, among other things, the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among other things, the investment restrictions on AIFs.

As per the SEBI VCF Regulations and SEBI FVCI Regulations, VCFs and FVCIs are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by VCFs or FVCIs will not be accepted in this Issue. Venture capital funds registered as Category I AIFs, as defined in the SEBI AIF Regulations, are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by venture capital funds registered as category I AIFs, as defined in the SEBI AIF Regulations, will not be accepted in this Issue. Other categories of AIFs are permitted to apply in this Issue subject to compliance with the SEBI AIF Regulations. Such AIFs having bank accounts with SCSBs that are providing ASBA in cities / centers where such AIFs are located are mandatorily required to make use of the ASBA facility. Otherwise, applications of such AIFs are liable for rejection.

### **Procedure for Applications by NRIs**

Investments by NRIs are governed by the FEMA Rules. Applications will not be accepted from NRIs that are ineligible to participate in this Issue under applicable securities laws.

As per the FEMA Rules, an NRI or Overseas Citizen of India (“OCI”) may purchase or sell capital instruments of a listed Indian company on repatriation basis, on a recognized stock exchange in India, subject to the conditions, *inter alia*, that the total holding by any individual NRI or OCI will not exceed 5% of the total paid-up equity capital on a fully diluted basis or should not exceed 5% 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 will 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 warrants. The aggregate ceiling of 10% may be raised to 24%, if a special resolution to that effect is passed by the general body of the Indian company.

Further, in accordance with press note 3 of 2020, the FDI Policy has been recently amended to state that all investments by entities incorporated in a country which shares land border with India or where beneficial owner of an investment into India is situated in or is a citizen of any such country (“Restricted Investors”), will require prior approval of the Government of India. It is not clear from the press note whether or not an issue of the Rights Shares to Restricted Investors will also require prior approval of the Government of India and each Investor should seek independent legal

advice about its ability to participate in the Issue. In the event such prior approval has been obtained, the Investor shall intimate our Company and the Registrar about such approval within the Issue Period.

### **Procedure for Applications by Mutual Funds**

A separate application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such applications shall not be treated as multiple applications. The applications made by asset management companies or custodians of a mutual fund should clearly indicate the name of the concerned scheme for which the application is being made.

### **Procedure for Applications by Systemically Important Non-Banking Financial Companies (“NBFC-SI”)**

In case of an application made by NBFC-SI registered with the RBI, (a) the certificate of registration issued by the RBI under Section 45IA of the RBI Act, 1934 and (b) net worth certificates from its statutory auditors or any independent chartered accountant based on the last audited consolidated financial statements is required to be attached to the application.

### **Impersonation**

**As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of Section 38 of the Companies Act, 2013 which is reproduced below:**

*“Any person who makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or 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 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 for fraud involving an amount of at least ₹ 1 millions or 1% of the turnover of the company, whichever is lower, includes imprisonment for a term of not less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending upto three times of such amount. In case the fraud involves (i) an amount which is less than ₹ 1 millions or 1% of the turnover of the company, whichever is lower; and (ii) does not involve public interest, then such fraud is punishable with an imprisonment for a term extending up to five years or a fine of an amount extending up to ₹ 5 million or with both.

### **Payment by stock invest**

In terms of the RBI Circular DBOD No. FSC BC 42/24.47.00/2003- 04 dated November 5, 2003, the stock invest scheme has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

## **DISPOSAL OF APPLICATION AND APPLICATION MONEY**

No acknowledgment will be issued for the Application Money received by our Company. However, the Designated Branch of the SCSBs receiving the Common Application Form will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each Common Application Form would generate an electronic acknowledgment to the Eligible Equity Shareholders upon submission of the Application.

Our Board or our duly authorized committee reserves its full, unqualified and absolute right to accept or reject any Application, in whole or in part, and in either case without assigning any reason thereto.

In case an application is rejected in full, the whole of the Application Money will be unblocked in the respective ASBA Accounts, in case of Applications through ASBA. Wherever an application is rejected in part, the balance of Application Money, if any, after adjusting any money due on Rights Shares Allotted, will be refunded / unblocked in the respective bank accounts from which Application Money was received / ASBA Accounts of the Investor within a period of 4 days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law.

For further instructions, please read the Common Application Form carefully.

## **UTILISATION OF ISSUE PROCEEDS**

Our Board declares that:

- A. All monies received out of this Issue shall be transferred to a separate bank account;
- B. Details of all monies utilized out of this Issue referred to under (A) shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies had been utilized; and
- C. Details of all unutilized monies out of this Issue referred to under (A) above, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested.



## UNDERTAKINGS BY OUR COMPANY

Our Company undertakes the following:

- 1) The complaints received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily.
- 2) All steps for completion of the necessary formalities for listing and commencement of trading at all BSE Limited where the Equity Shares are to be listed will be taken within the time limit specified by SEBI.
- 3) The funds required for making refunds to unsuccessful Applicants as per the mode(s) disclosed shall be made available to the Registrar by our Company.
- 4) Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Investor within 15 (Fifteen) days of the Issue Closing Date, giving details of the banks where refunds shall be credited along with amount and expected date of electronic credit of refund.
- 5) In case of refund / unblocking of the Application Money for unsuccessful Applicants or part of the Application Money in case of proportionate Allotment, a suitable communication shall be sent to the Applicants.
- 6) Adequate arrangements shall be made to collect all ASBA Applications.
- 7) Our Company shall comply with such disclosure and accounting norms specified by SEBI from time to time.

## MINIMUM SUBSCRIPTION

The Promoters of our Company through its letters dated Monday, July 11, 2022, have confirmed that they intend to subscribe in part or to the full extent of their Rights Entitlement and to the extent of unsubscribed portion (if any) of this Issue and that they shall not renounce their Rights Entitlements except within the Promoter Group, in accordance with the provisions of Regulation 86 of the SEBI (ICDR) Regulations.

The objects of the Issue involve Construction and Development of Warehouse and general corporate purposes. Further, our Promoters have undertaken that they will subscribe to the full extent of their Rights Entitlements and that they shall not renounce their Rights Entitlements (except to the extent of renunciation by any of them in favor of any other Promoter or member of the Promoter Group) subject to the aggregate shareholding of our Promoters and Promoter Group being compliant with the minimum public shareholding requirements under the SCRR and the SEBI (LODR) Regulations.

## IMPORTANT

1. Please read the Letter of Offer carefully before taking any action. The instructions contained in the Common Application Form, Abridged Draft Letter of Offer and the Rights Entitlement Letter are an integral part of the conditions of this Draft Letter of Offer and must be carefully followed; otherwise, the Application is liable to be rejected.
2. All enquiries in connection with the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or Common Application Form must be addressed (quoting the Registered Folio Number or the DP ID and Client ID number, the Common Application Form number and the name of the first Eligible Equity Shareholder as mentioned on the Common Application Form and super scribed “Rajnish Wellness Limited – Rights Issue” on the envelope and postmarked in India or in the email) to the Registrar at the following address:
3. **BIGSHARE SERVICES PRIVATE LIMITED**  
**Address: E/2, Ansa Industrial Estate, Saki Vihar Road, Saki Naka, Andheri East, Mumbai – 400072**  
**Contact Details: + 91-022 - 62638273**  
**Website: [www.bigshareonline.com](http://www.bigshareonline.com)**  
**E-mail ID: [ipo@bigshareonline.com](mailto:ipo@bigshareonline.com)**  
**Investor grievance e-mail: [investor@bigshareonline.com](mailto:investor@bigshareonline.com)**  
**Contact Person: [•] Mr. Jibu John**  
**SEBI Registration Number: INR000001385**
4. In accordance with SEBI Rights Issue Circulars, frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors will be available on the website of the Registrar [www.bigshareonline.com](http://www.bigshareonline.com). Further, helpline numbers provided by the Registrar for guidance on the Application process and resolution of difficulties are 022 - 40430200 / 62638200.
5. This Issue will remain open for a minimum 7 (Seven) days. However, our Board or our duly authorized committee will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).



## RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

There are two routes through which foreign investors may invest in India. One is the ‘automatic route’, where no government approval is required under Indian foreign exchange laws to make an investment as long as it is within prescribed thresholds for the relevant sector. The other route is the “government route”, where an approval is required under foreign exchange laws from the relevant industry regulator, prior to the investment.

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991, of the Government of India and FEMA. While the Industrial Policy, 1991, of the Government of India, 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 way such investment may be made. The Union Cabinet, as provided in the Cabinet Press Release dated May 24, 2017, has given its approval for phasing out the FIPB. Under the Industrial Policy, 1991, 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. Accordingly, the process for foreign direct investment and approval from the Government of India will now be handled by the concerned ministries or departments, in consultation with the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (formerly known as the Department of Industrial Policy and Promotion), Ministry of Finance, Department of Economic Affairs, FIPB section, through a memorandum dated June 5, 2017, has notified the specific ministries handling relevant sectors.

The Government has, from time to time, made policy pronouncements on FDI through press notes and press releases. The DPIIT issued the Consolidated FDI Policy Circular of 2020 (**‘FDI Circular 2020’**), which, with effect from October 15, 2020, consolidated and superseded all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Circular 2020 will be valid until the DPIIT issues an updated circular.

The Government of India has from time to time made policy pronouncements on FDI through press notes and press releases which are notified by RBI as amendments to FEMA. In case of any conflict, the relevant notification under Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 will prevail. The payment of inward remittance and reporting requirements are stipulated under the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 issued by RBI. The FDI Circular 2020, issued by the DPIIT, consolidates the policy framework in place as on October 15, 2020, and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of RBI, provided that:

1. The activities of the investee company falls under the automatic route as provided in the FDI Policy and FEMA and transfer does not attract the provisions of the SEBI (SAST) Regulations;
2. The non- resident shareholding is within the sectoral limits under the FDI Policy; and
3. The pricing is in accordance with the guidelines prescribed by SEBI and RBI.

No investment under the FDI route (i.e., any investment which would result in the investor holding 10% or more of the fully diluted paid-up equity share capital of the Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the investors to ensure that the necessary approval or the pre-existing approval from the government is valid to make any investment in the Issue.

Our Company will not be responsible for any allotments made by relying on such approvals. Please also note that pursuant to Circular no. 14 dated September 16, 2003, issued by RBI, Overseas Corporate Bodies have been derecognized as an eligible class of investors and RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Investor being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as a incorporated non-resident must do so in accordance with the FDI Circular 2020 and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019. Further, while investing in the Issue, the Investors are deemed to have obtained the necessary approvals, as required, under applicable laws and the obligation to obtain such approvals shall be upon the Investors. Our Company shall not be under an obligation to obtain any approval under any of the applicable laws on behalf of the Investors and shall not be liable in case of failure on part of the Investors to obtain such approvals.

The above information is given for the benefit of the Applicants / Investors. Our Company to the Issue are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Draft Letter of Offer. Investors 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.

## SECTION X – OTHER INFORMATION

Please note that the Rights Shares applied for under this Issue can be allotted only in dematerialised form and to (a) the same depository account/ corresponding pan in which the Equity Shares are held by such Investor on the Record Date, or (b) the depository account, details of which have been provided to our Company or the Registrar at least two working days prior to the Issue Closing Date by the Eligible Equity Shareholder, or (c) demat suspense account where the credit of the Rights Entitlements returned/reversed/failed.

## **MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION**

The following material documents and contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than 2 (Two) years prior to the date of this Draft Letter of Offer) which are or may be deemed material have been entered or are to be entered into by our Company. The copies of these contracts and also the documents for inspection referred to hereunder, would be available on the website of the Company at [www.rajnishwellness.com](http://www.rajnishwellness.com) from the date of this Draft Letter of Offer until the Issue Closing Date.

## **MATERIAL CONTRACTS FOR THE ISSUE**

1. Issue Agreement dated [Day], [•], entered between our Company.
2. Registrar Agreement dated [Day], [•], between our Company and the Registrar to the Issue;
3. Bankers to the Issue Agreement dated [•] among our Company and the Registrar to the Issue and the Bankers to the Issue;

## **MATERIAL DOCUMENTS IN RELATION TO THE ISSUE**

1. Certified copies of the updated Memorandum of Association and Articles of Association of our Company;
2. Certificate of incorporation and fresh certificate of incorporation pursuant to change of name of our Company;
3. Copies of the annual report of our Company for the last 3 (Three) Financial Years for the Financial Year ending March 31, 2023, March 31, 2022; March 31, 2021
4. Resolution of our Board of Directors dated Friday, July 28, 2023, approving the Issue;
5. Resolution of our Board of Directors dated Thursday, August 10, 2023, approving this Draft Letter of Offer;
6. Resolution of our Board of Directors dated [•], finalizing the terms of the Issue including Issue Price, Record Date and the Rights Entitlement Ratio;
7. Resolution of our Board of Directors dated [•], approving the Letter of Offer;
8. Consents of our Directors, Bankers to our Company, Bankers to the Issue, and the Registrar to the Issue for inclusion of their names in the Letter of Offer to act in their respective capacities;
9. Report on Statement of Special Tax Benefits dated Wednesday, August 09, 2023, for our Company from the Statutory Auditors of our Company;
10. In-principle approval issued by BSE Limited dated [•];

Any of the contracts or documents mentioned in this Draft Letter of Offer may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without notice to the Eligible Shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

## DECLARATION

We hereby declare that no statement made in this Draft Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. We further certify that all the legal requirements connected with the Issue as also the guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with. We further certify that all disclosures made in this Draft Letter of Offer are true and correct.

### SIGNED BY ALL THE DIRECTORS OF OUR COMPANY

Sd/- <b>Rajnish Kumar Singh</b> <b>Chairman &amp; Managing Director</b> <b>DIN: 07191704</b>	Sd/- <b>Sanjjari Kashyap</b> <b>Non-Executive Independent Director</b> <b>DIN:03514536</b>
Sd/- <b>Preeti</b> <b>Non-Executive Independent Director</b> <b>DIN: 09662113</b>	Sd/- <b>Abhinandan Paliwal</b> <b>Non-Executive Independent Director</b> <b>DIN:08064706</b>
Sd/- <b>Saloni Mehra</b> <b>Non-Executive Non-Independent Director</b> <b>DIN:10062907</b>	Sd/- <b>Monam Kapoor</b> <b>Non-Executive Independent Director</b> <b>DIN:09278005</b>
Sd/- <b>Swati Jain</b> <b>Non-Executive Non-Independent Director</b> <b>DIN:093436199</b>	

Date: August 10, 2023

Place: Mumbai