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KATI PATANG LIFESTYLE LIMITED (Formerly known as Virtualsoft Systems Limited)

Our Company was originally incorporated as a private limited company under the Companies Act, 1956 in the name and style of "Suri Capital & Leasing Private Limited" vide Certificate of Incorporation dated March 10, 1992, issued by the Registrar of Companies, National Capital Territory of Delhi and Haryana. Further, the name of our Company was changed to "Virtualsoft Systems Limited" on February 06, 2001, and further to "Kati Patang Lifestyle Limited" on December 24, 2024. For details related to change of registered office, please see "General Information" on page 42.

Corporate Identity Number : L72200DL1992PLC047931
Registered Office: S-101, Panchsheel Park, New Delhi-110017, India
Corporate Office : 504, Savitri Cinema Complex, 5th Floor Greater Kailash-II, New Delhi – 110048, India
Contact Person: Mr. Sanjeev Kumar Jha (Company Secretary and Compliance Officer)
Telephone: +91-11-42701491 | **E-mail :** cs@iamkatipatang.com | **Website:** www.katipatang.com

PROMOTERS OF OUR COMPANY				
MR. GOKUL NARESH TANDAN				
FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF KATI PATANG LIFESTYLE LIMITED				
ISSUE OF UP TO 1,02,56,651* PARTLY PAID-UP EQUITY SHARES OF FACE VALUE OF ₹10 EACH OF OUR COMPANY (THE "RIGHTS EQUITY SHARES") FOR CASH AT A PRICE OF ₹ 20/- PER RIGHTS EQUITY SHARE (INCLUDING A PREMIUM OF ₹ 10/- PER RIGHTS EQUITY SHARE), AGGREGATING UPTO ₹ 2,051.33 LAKH* ON A RIGHTS BASIS TO THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF 2 (TWO) RIGHTS EQUITY SHARES FOR EVERY 7 (SEVEN) FULLY PAID-UP EQUITY SHARES HELD BY THE ELIGIBLE EQUITY SHAREHOLDERS ON THE RECORD DATE, THAT IS THURSDAY, JULY 10, 2025 (THE "ISSUE"). FOR FURTHER DETAILS, SEE "TERMS OF THE ISSUE" BEGINNING ON PAGE 67 OF THIS LETTER OF OFFER.				
PAYMENT SCHEDULE FOR THE RIGHTS EQUITY SHARES				
AMOUNT PAYABLE PER RIGHTS EQUITY SHARE	Face Value (₹)	Premium (₹)	Total (₹)	
On Application	5.00	5.00	10.00	
One or more subsequent Call(s) as determined by our Board / Rights Issue Committee at its sole discretion, from time to time.	5.00	5.00	10.00	
Total	10.00	10.00	20.00	
For further details on Payment Schedule, please refer "Terms of the Issue" beginning on page 67 of this Letter of Offer.				
WILLFUL DEFAULTER OR FRAUDULENT BORROWER				
Neither our Company, our promoters nor our directors are identified as willful Defaulters or Fraudulent Borrowers. For further details, please refer "Other Regulatory and Statutory Disclosures" on page 63.				
GENERAL RISKS				
Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk with such investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors shall rely on their own examination of the issuer and the offer, including the risks involved. The securities being offered in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI") nor does SEBI guarantee the accuracy or adequacy of this Letter of Offer. Specific attention of investors is invited to the section "Risk Factors" beginning on page 21.				
ISSUER'S ABSOLUTE RESPONSIBILITY				
Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Letter of Offer contains all information with regard to our Company and the Issue, which is material in the context of the Issue, and that the information contained in this 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 Letter of Offer as a whole or any 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 on BSE Limited ("BSE"). Our Company has received "in-principle" approval from BSE for listing the Rights Equity Shares through their letter dated July 04, 2025. Our Company will also make application to BSE to obtain trading approval for the Rights Entitlements as required under the SEBI ICDR Master Circular. For the purposes of the Issue, the Designated Stock Exchange is BSE.				
REGISTRAR TO THE ISSUE				
	MAS Services Limited Address - T-34, 2nd Floor, Okhla Industrial Area, Phase – II, New Delhi-110 020 Tel: +91 11 2638 7281/82/83, +91 11 4132 0335 E-mail: ipo@masserv.com Investor Grievance ID: investor@masserv.com Contact Person: Mr. Sharwan Mangla Website: www.masserv.com			
	ISSUE SCHEDULE			
	LAST DATE FOR CREDIT OF RIGHTS ENTITLEMENTS	Friday, July 11, 2025		
	ISSUE OPENING DATE	Thursday, July 17, 2025		
	LAST DATE FOR ON MARKET RENUNCIATION OF RIGHTS ENTITLEMENTS	Tuesday, July 22, 2025		
LAST DATE FOR OFF MARKET RENUNCIATION OF RIGHTS ENTITLEMENTS #	Thursday, July 24, 2025			
ISSUE CLOSING DATE**	Friday, July 25, 2025			
FINALISATION OF BASIS OF ALLOTMENT (ON OR ABOUT)	Monday, July 28, 2025			
DATE OF ALLOTMENT (ON OR ABOUT)	Monday, July 28, 2025			
DATE OF CREDIT OF RIGHTS EQUITY SHARES (ON OR ABOUT)	Tuesday, July 29, 2025			
DATE OF LISTING (ON OR ABOUT)	Tuesday, July 29, 2025			

*Assuming full subscription of the Issue and receipt of all calls money with respect to partly paid Equity Shares.

#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 Renounees on or prior to the Issue Closing Date.

**Our Board or Right Issue Committee 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 the Application shall be permitted by any Applicant after the Issue Closing Date.

***THIS PAGE HAS BEEN LEFT BLANK PURSUANT TO SECURITIES AND EXCHANGE BOARD OF INDIA
(ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018.***

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SECTION I - GENERAL

DEFINITIONS AND ABBREVIATIONS

This 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 legislations, Acts, regulations, rules, guidelines, or policies shall be to such legislations, acts, regulations, 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.

Unless otherwise specified, the capitalized terms used in this Letter of Offer shall have the meaning as defined hereunder. References to any legislations, acts, regulations, rules, guidelines, circulars, notifications, policies or clarifications shall be deemed to include all amendments, supplements, or re-enactments and modifications thereto notified from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.

The words and expressions used in this 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 “Statement of Special Tax Benefits” and “Financial Information” on pages 56 and 60, respectively, shall have the meaning given to such terms in such sections.

Company Related Terms

Terms	Descriptions
Act/ Companies Act	The Companies Act, 2013 and Companies Act, 1956 to the extent applicable.
Articles of Association/ Articles / “AoA”	The Articles of Association of our Company, as amended from time to time.
Associates	With reference to any company, the associate of that company would mean any other company within the meaning of section 2(6) of the Companies Act.
Audit Committee	The Audit Committee of the Board of Directors of the Company.
Board of Directors / Board	The Board of Directors of our Company or a duly constituted committee thereof.
Chairman	The Chairman of our Company.
Company / Our Company / The Company / the Issuer.	Kati Patang Lifestyle Limited (Formerly known as Virtualsoft Systems Limited), a public limited company incorporated under the Companies Act, 1956, having its registered office at S-101, Panchsheel Park, New Delhi-110017, India.
Corporate Office	The Corporate Office of our Company is located at 504, Savitri Cinema Complex, 5th Floor Greater Kailash-II, New Delhi – 110048, India.
Director(s)	Any or all the directors on our Board, as may be appointed from time to time.
Equity Shareholder	A holder of Equity Shares.
Equity Shares	The equity shares of our Company, each having a face value of Rs. 10/- each unless otherwise specified.
Executive Directors	Executive Director(s) of our Company, unless otherwise specified.
Group Companies/ Entities	Such companies (other than promoter(s) and subsidiary/subsidiaries) with which there were related party transactions, during the period for which financial information is disclosed in this Letter of Offer, which are covered under the applicable accounting standards and other companies as considered material by the Board of our Company.
Managing Director	Managing Director of our Company i.e., Mr. Gokul Naresh Tandan.
Memorandum of Association / Memorandum / MoA	The Memorandum of Association of our Company, as amended from time to time.

Terms	Descriptions
Non-Executive and Independent Director	Non-Executive and Independent Directors of our Company, unless otherwise specified.
Non-Executive Director	Non-Executive Directors of our Company, unless otherwise specified.
Promoter and Promoter Group	Individuals and entities forming part of the promoter and promoter group in accordance with SEBI ICDR Regulations.
Promoter Group	Unless the context requires otherwise, the individuals and entities forming part of our promoter group in accordance with Regulation 2(1) (pp) of the SEBI ICDR Regulations and which are disclosed by our Company to the Stock Exchange from time to time.
Promoter/ Promoters	Mr. Gokul Naresh Tandan is the Promoter of our Company.
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 the Stock Exchange under the SEBI Listing Regulations.
Registered Office	The Registered Office of our Company is located at S-101, Panchsheel Park, New Delhi-110017, India.
Registrar of Companies / RoC	Registrar of Companies, Delhi and Haryana, having its office at 4 th Floor, IFCI Tower, 61, Nehru Place, New Delhi-110019.
Rights Issue Committee	The Rights Issue Committee of the Company comprising of Mr. Gokul Naresh Tandan , Mr. Shantanu Upadhyay & Mr. Sanjay Jain.
Shareholders	Persons holding Equity Shares of our Company, unless otherwise specified in the context thereof.
Statutory Auditors	The current statutory auditors of our Company, being M/s Rajesh Raj Gupta & Associates LLP, Chartered Accountants.
We, Our, or Us	Kati Patang Lifestyle Limited (Formerly known as Virtualsoft Systems Limited), unless otherwise specified or unless the context is otherwise.

Issue Related Terms

Term	Description
Allot, Allotment or Allotted	Allotment of Rights Equity Shares pursuant to this Issue.
Allotment Accounts	The accounts opened with the Bankers to this Issue, into which the Application Money lying credit to the Escrow Account and amounts blocked by the Application Supported by Blocked Amount in the ASBA Account, with respect to successful Applicants, will be transferred on the Transfer Date in accordance with Section 40(3) of the Companies Act, 2013.
Allotment Account Banks	Bank(s) which are clearing members and registered with SEBI as bankers to an issue and with whom the Allotment Accounts will be opened, in this case being, Axis Bank Limited.
Allotment Date	The date on which the Allotment shall be made pursuant to this Issue.
Allottee(s)	Person(s) who shall be allotted Rights Equity Shares pursuant to the Allotment.
Applicant(s) or Investor(s)	Eligible Equity Shareholder(s) and/or Renouncee(s) who are entitled to apply or make an application for the Rights Equity Shares pursuant to this Issue in terms of this Letter of Offer.
Application	Application made through (i) submission of the Application Form or plain paper Application to the Designated Branch 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 Equity Shares at the Issue Price.
Application Form	Unless the context otherwise requires, an application form (including an online application form available for submission of application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process) used by an

Term	Description
	Applicant to make an application for the Allotment of Rights Equity Shares in this Issue.
Application Money	Aggregate amount payable in respect of Rights Equity Shares applied for in the Issue at the Issue Price.
Application Supported by Blocked Amount or ASBA	Application used by an investor to make an application authorizing the SCSB to block the Application Money in an ASBA account maintained with the SCSB.
ASBA Account	Account maintained with the SCSB and specified in the Application Form or the plain paper Application by the Applicant for blocking the amount mentioned in the Application Form or the plain paper Application.
Basis of Allotment	The basis on which the Rights Equity Shares will be Allotted to successful Applicants in consultation with the Designated Stock Exchange under this Issue, as described in “ <i>Terms of the Issue</i> ” on page 67 of this Letter of Offer.
Bankers to the Issue Agreement	Agreement dated July 07, 2025, entered by and among our Company, the Registrar to the Issue, and the Bankers to the Issue for collection of the Application Money from Applicants/Investors, transfer of funds to the Allotment Account, and where applicable, refunds of the amounts collected from Applicants/Investors, on the terms and conditions thereof.
Bankers to the Issue	Collectively, the Escrow Collection Bank, the Allotment Account Banks, and the Refund Account Bank to the Issue.
Call(s)	The notice issued by our Company to the holders of the Rights Equity Shares as on the Call Record Date for making a payment of the Call Monies.
Call Money(ies)	The balance amount payable by the holders of the Rights Equity Shares pursuant to the Payment Schedule of Rights Equity Shares, being Rs. 10/- per Rights Equity Share (50% of the price of Rights Equity Shares) after payment of the Application Money.
Call Record Date(s)	Record date(s) fixed by our Company for the purpose of determining the names of the holders of Rights Equity Shares for the purpose of issuing of the Call(s)
Consolidated Certificate	The certificate that would be issued for Rights Equity Shares Allotted to each folio in case of Eligible Equity Shareholders who hold Equity Shares in physical form.
Controlling Branches or Controlling Branches of the SCSBs	Such branches of the SCSBs which co-ordinate with the Registrar to the Issue and the Stock Exchange, a list of which is available on http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes
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 Branches	Such branches of the SCSBs which shall collect the Application Form or the plain paper application, as the case may be, used by the ASBA Investors and a list of which is available on http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes
Designated Stock Exchange	BSE Limited (BSE)
Draft Letter of Offer / DLoF	The Draft Letter of Offer dated June 27, 2025, filed with the Designated Stock Exchange i.e. BSE for its observations and In-Principle Approval.
Eligible Equity Shareholders	Equity Shareholders of our Company as on the Record Date, i.e., Thursday, July 10, 2025.
Issue	Issue of up to 1,02,56,651#, Partly Paid Up Rights Equity Shares of the face value of Rs. 10/- each of our Company for cash at an issue price of Rs. 20/- per Rights Equity Share (including a premium of Rs. 10/- per Rights Equity Share) aggregating up to Rs. 2,051.33 (#) on a rights basis to the Eligible Equity Shareholders of our Company in the ratio of 2 (Two) Rights Equity Share for every 7 (Seven) Equity Shares held by the Eligible Equity Shareholders of our Company on the Record Date i.e. Thursday, July 10, 2025.

Term	Description
	On Application, Investors will have to pay Rs. 10/- per Rights Equity Share which constitutes 50% of the Issue Price and the balance Rs. 10/- per Rights Equity Share, which constitutes 50% of the Issue Price, will have to be paid, on one or more subsequent Call(s), as determined by our Board/ Committee at its sole discretion, from time to time. <i>#Assuming full subscription of the Issue and receipt of all calls money with respect to partly paid Equity Shares.</i>
Issue Closing Date	Friday, July 25, 2025
Issue Opening Date	Thursday, July 17, 2025
Issue Material	Collectively, the Letter of Offer, Rights Entitlement Letter, Application Form, including any notices, corrigendum thereto, and any other material relating to the Issue.
Issue Period	The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days, during which Applicants can submit their applications, in accordance with the SEBI ICDR Regulations.
Issue Price	Rs. 20/- (Rupees Twenty Only) per Rights Equity Share, including a Premium of Rs.10/- per Rights Equity Share, payable on Application & Call or Calls as defined in “Issue”
Issue Proceeds / Gross Proceeds	Gross proceeds of this Issue.
Issue Size	Amount aggregating to up to Rs.2,051.33 Lakh. <i>(Assuming full subscription)</i>
Letter of Offer	The Letter of Offer dated July 08, 2025, filed with the Designated Stock Exchange (BSE), and with SEBI for purposes of record keeping after incorporating the observations received from BSE on LOF.
Listing Agreement	The uniform listing agreement entered into between our Company and the Stock Exchange in terms of the SEBI LODR Regulations
Monitoring Agency	Acuite Ratings & Research Limited
Monitoring Agency Agreement	Agreement dated June 27, 2025, between our Company and the Monitoring Agency in relation to monitoring of Gross Proceeds
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, additional applications in relation to Additional Rights Equity Shares with/without using additional Rights Entitlements will not be treated as multiple applications
Net Proceeds	Issue Proceeds less Issue related expenses. For details, see “ <i>Objects of the Issue</i> ” on page 49.
On Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by trading its Rights Entitlements over the secondary market platform of the Stock Exchanges through a registered stock broker in accordance with the SEBI ICDR Master Circular, circulars issued by the Stock Exchanges from time to time and other applicable laws, on or before Tuesday, July 22, 2025.
Off Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by transferring its Rights Entitlements through off market transfer through a depository participant in accordance with the SEBI ICDR Master Circular, circulars issued by the Depositories from time to time and other applicable laws. 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
Record Date	Designated date for the purpose of determining the Equity Shareholders eligible to apply for Rights Equity Shares, being Thursday, July 10, 2025.
Registrar to the Issue or	MAS Services Limited

Term	Description
Registrar	
Registrar to the Company	MAS Services Limited
Registrar Agreement	Agreement dated June 27, 2025, entered into between our Company and MAS Services Limited in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to this Issue.
Renounee(s)	Any person(s) who, not being the original recipient has/have acquired the Rights Entitlement, in accordance with the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars.
Renunciation Period	The period during which the Investors can renounce or transfer their Rights Entitlements which shall commence from the Issue Opening Date. Such period shall close on Tuesday, July 22, 2025, 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 Renounee on or prior to the Issue Closing Date.
Rights Entitlements	The right to apply for the Rights Equity Shares, being offered by way of this Issue, by an Investor, in accordance with the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, in this case being 2 (Two) Rights Equity Share for every 7 (Seven) Equity Shares held by an Eligible Equity Shareholder, on the Record Date, excluding any fractional entitlements.
Rights Entitlement Letter	Letter including details of Rights Entitlements of the Eligible Equity Shareholders. The Rights Entitlements are also accessible on the website of our Company.
Rights Equity Shareholder	A holder of the Rights Equity Shares, from time to time.
Rights Equity Shares	Equity shares of our Company to be allotted pursuant to this Issue on partly paid-up basis pursuant to receipt of Application Money.
SCSB(s)	Self-certified syndicate banks registered with SEBI, which offers the facility of ASBA. A list of all SCSBs is available at the website of SEBI and/or such other website(s) as may be prescribed by SEBI from time to time.
Stock Exchange	The Stock Exchange where our Equity Shares are presently listed, being BSE.
Transfer Date	The date on which Application Money held in the Escrow Account and the Application Money blocked in the ASBA Account will be transferred to the Allotment Accounts in respect of successful Applications, upon finalization of the Basis of Allotment, in consultation with the Designated Stock Exchange.
Willful Defaulter or Fraudulent Borrower	Company or person, as the case may be, categorized as a willful defaulter or fraudulent borrower by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in terms of Regulation 2(1)(III) of SEBI ICDR Regulations and in accordance with the guidelines on willful defaulters issued by RBI and includes any company whose director or promoter is categorized as such.
Working Day(s)	Working Days as defined under Regulation 2(1)(mmm) of the SEBI ICDR Regulations.

Conventional terms or Abbreviations

Terms	Descriptions
₹/ Rs. / Rupees or INR	Indian Rupee.
AGM	Annual General Meeting
AIF(s)	Alternative Investment Funds, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012.
Arbitration Act	Arbitration and Conciliation Act, 1996.
AS / Accounting	Accounting Standards issued by the Institute of Chartered Accountants of India as

Terms	Descriptions
Standards	notified under the Companies (Accounts) Rules, 2014.
ASBA Circulars	Collectively, SEBI circular SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009, SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011, the SEBI circular, bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020.
BSE	BSE Limited.
CDSL	Central Depository Services (India) Limited.
Central Government / Government of India / GoI	Central Government of India.
CIN	Corporate Identification Number.
Companies Act, 1956	Erstwhile Companies Act, 1956 along with the rules made thereunder.
Companies Act, 2013 / Companies Act	Companies Act, 2013 along with the rules made thereunder.
Depositories Act	Depositories Act, 1996.
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.
DIN	Director Identification Number.
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India.
DP / Depository Participant	Depository Participant as defined under the Depositories Act.
DP ID	Depository Participant Identification.
DPIT	Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India, earlier known as Department of Industrial Policy and Promotion.
EBITDA	Profit for the year before finance costs, tax, depreciation, amortization and depletion expenses, exceptional items, and other income as presented in the statement of profit and loss in the Financial Statements.
EGM	Extraordinary General Meeting.
EPS	Earnings per share.
FCNR Account	Foreign Currency Non-Resident Account.
FDI	Foreign Direct Investment.
FDI Policy	The consolidated foreign direct investment policy notified by the DIPP (now DPIT) vide circular no. D/o IPP F. No. 5(1)/2017- FC-1 dated August 28, 2017, effective from August 28, 2017.
FEMA	Foreign Exchange Management Act, 1999, read with rules and regulations thereunder.
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019.
Financial Year / FY /Fiscal	The period of 12 months ended March 31 of that particular year.
Foreign Portfolio Investors /FPIs	Foreign portfolio investors as defined under the SEBI FPI Regulations, are registered with SEBI under applicable laws in India.
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018.
PFUTP Regulations	Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Markets) Regulations, 2003.
FVCIs	Foreign Venture Capital Investors as defined in and registered with the SEBI, under the SEBI FVCI Regulations.
Government	Central Government and/or the State Government, as applicable.
GST	Goods and Services Tax.
HUF	Hindu Undivided Family.

Terms	Descriptions
IEPF	Investor Education and Protection Fund
IFRS	International Financial Reporting Standards.
Income-tax Act	Income-tax Act, 1961.
Ind AS	Indian Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
India	Republic of India.
Indian GAAP	Generally Accepted Accounting Principles followed in India.
IPC	Indian Penal Code, 1860.
ISIN	International Securities Identification Number.
Listing Agreement	Equity listing agreements entered into between our Company and the Stock Exchange.
MCA	The Ministry of Corporate Affairs, Government of India.
Mutual Fund	Mutual fund registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.
N.A. / N/A	Not applicable.
NACH	National Automated Clearing House.
NEFT	National Electronic Fund Transfer.
NR / NRs	Non-resident(s) or person(s) resident outside India, as defined under the FEMA.
NRE Account	Non-resident external account.
NRI	A person resident outside India, who is a citizen of India and shall have the same meaning as ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2016.
NRO Account	Non-resident ordinary account.
NSDL	National Securities Depository Limited.
OCB / Overseas Corporate Body	A company, partnership, society, or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003, and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA.
p.a.	Per annum.
P/E Ratio	Price/Earnings Ratio.
PAN	Permanent Account Number.
PBT	Profit Before Tax.
PAT	Profit After Tax.
RBI	Reserve Bank of India.
REPO	Repurchase Agreement.
RONW	Return on Net Worth.
RTGS	Real-Time Gross Settlement.
SAT	Securities Appellate Tribunal.
SCN	Show Cause Notice.
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 FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000.
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.

Terms	Descriptions
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
SEBI Rights Issue Circulars	Collectively, the SEBI circular, bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, bearing reference number SEBI/HO/CFD/CIR/CFD/DIL/67/2020 dated April 21, 2020, SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020, SEBI circular bearing reference number SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020, SEBI circular SEBI/HO/CFD/DIL1/CIR/P/2021/13 dated January 19, 2021, and SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2021/552 dated April 22, 2021, the SEBI Circular SEBI/HO/CFD/SSEP/CIR/P/2022/66 dated May 19, 2022 and SEBI/HO/CFD/CFD-PoD-1/P/CIR/2025/31 March 11, 2025, any other circular issued by SEBI in this regard and any subsequent circulars or notifications issued by SEBI in this regard.
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996.
SFIO	Serious Fraud Investigation Office
SMS	Short Message Service.
State Government	Government of a state of India.
Trademarks Act	Trademarks Act, 1999.
TDS	Tax Deducted at Source.
U. K.	United Kingdom.
U.S. / USA / United States	United States of America, including the territories or possessions thereof.
VAT	Value Added Tax.
VCFs	Venture Capital Funds, as defined in and registered with the SEBI under the SEBI VCF Regulations or the SEBI AIF Regulations, as the case may be.
w.e.f.	With effect from.
Year/Calendar Year	Unless the context otherwise requires, shall refer to the twelve-month period ending December 31 of a particular year.

The words and expressions used but not defined in this Letter of Offer will have the same meaning as assigned to such terms under the Companies Act, the SEBI ICDR Regulations, the SCRA, the Depositories Act, and the rules and regulations made thereunder.

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NOTICE TO INVESTORS

The distribution of this Letter of Offer, Application Form and Rights Entitlement Letter and any other offering material (collectively, the “**Issue Materials**”) and issue of Rights Entitlement as well as Rights Equity Shares to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Letter of Offer, the Rights Entitlement Letter or Application Form may come or who receive Rights Entitlement and propose to renounce or apply for Rights Equity Shares in the Issue are required to inform themselves about and observe such restrictions. For more details, see “*Restrictions on Purchases and Resales*” beginning on page 98.

Pursuant to the requirements of the SEBI ICDR Regulations and other applicable laws, the Rights Entitlements will be credited to the demat account of the Eligible Equity Shareholders who are Equity Shareholders as on the Record Date, however, the Issue Materials will be sent/ dispatched only to such Eligible Equity Shareholders who have provided an Indian address to our Company, RTA and Depository Participants and only such Eligible Equity Shareholders are permitted to participate in the Issue. In case such Eligible Equity Shareholders have provided their valid e-mail address to our Company, the Issue Materials will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their valid e-mail address, then the Issue Materials will be physically dispatched, on a reasonable effort basis, to the Indian addresses provided by them. Those overseas Eligible Equity Shareholders who do not update our records with their Indian address or the address of their duly authorised representative in India, prior to the date on which we propose to dispatch the Issue Materials, shall not be sent any of the Issue Materials.

The credit of Rights Entitlement does not constitute an offer, invitation to offer or solicitation for participation in the Issue, whether directly or indirectly, and only dispatch of the Issue Material shall constitute an offer, invitation or solicitation for participation in the Issue in accordance with the terms of the Issue Material. Further, receipt of the Issue Materials (including by way of electronic means) will not constitute an offer, invitation to or solicitation by anyone in (i) the United States or (ii) 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 and any other Issue Materials must be treated as sent for information only and should not be acted upon for subscription to Rights Equity Shares and should not be copied or re-distributed, in part or full. Accordingly, persons receiving a copy of the Issue Materials should not distribute or send the Issue Materials 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 Issue Material is received by any person in any such jurisdiction or the United States, they must not seek to subscribe to the Rights Equity Shares. For more details, see “*Restrictions on Purchases and Resales*” beginning on page 98.

Investors can also access this Letter of Offer and the Application Form from the websites of our Company, the Registrar, the Stock Exchanges and the Board.

Our Company and the Registrar will not be liable for non-dispatch of physical copies of Issue materials, in the event the Issue Materials have been sent on the registered email addresses of such Eligible Equity Shareholders available with the Registrar in their records.

No action has been or will be taken to permit the Issue in any jurisdiction where action would be required for that purpose, except that this Letter of Offer is being filed with the Stock Exchanges. Accordingly, the Rights Equity Shares may not be offered or sold, directly or indirectly, and the Issue Materials may not be distributed, in whole or in part, in (i) the United States, or (ii) any jurisdiction other than India except in accordance with legal requirements applicable in such jurisdiction.

Any person who purchases or renounces the Rights Entitlements or makes an application to acquire the Rights Equity Shares will be deemed to have declared, represented, warranted and agreed that such person is outside the United States and is eligible to subscribe and authorized to purchase or sell the Rights Entitlements or acquire Rights Equity 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). In addition, each

purchaser or seller of Rights Entitlements and the Rights Equity Shares will be deemed to make the representations, warranties, acknowledgments and agreements set forth in the “*Restrictions on Purchases and Resales*” section beginning on page 98.

Our Company, in consultation with the Registrar, reserves the right to treat as invalid any Application Form which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States or any other jurisdiction where the offer and sale of the Rights Equity Shares is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting the Application Form is outside the United States and such person is eligible to subscribe for the Rights Equity Shares under applicable securities laws and is complying with laws of jurisdictions applicable to such person in connection with this Issue; or (iii) where either a registered Indian address is not provided; or (iv) where our Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to issue or allot any Rights Equity Shares in respect of any such Application Form.

Neither the receipt of this Letter of Offer nor any sale of Rights Equity Shares hereunder, shall, under any circumstances, create any implication that there has been no change in our Company’s affairs from the date hereof or the date of such information or that the information contained herein is correct as at any time subsequent to the date of this Letter of Offer or the date of such information. The contents of this Letter of Offer should not be construed as legal, tax, business, financial 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 Rights Equity 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 the Rights Equity Shares or Rights Entitlements. In addition, our Company is not making any representation to any offeree or purchaser of the Rights Equity Shares regarding the legality of an investment in the Rights Entitlements or the Rights Equity Shares by such offeree or purchaser under any applicable laws or regulations.

Investors are advised to make their independent investigations and ensure that the number of Rights Equity Shares applied for do not exceed the applicable limits under laws or regulations.

The Rights Entitlements and the Rights Equity Shares have not been approved or disapproved by any regulatory authority, nor has any regulatory authority passed upon or endorsed the merits of the offering of the Rights Entitlements, the Rights Equity Shares or the accuracy or adequacy of this Letter of Offer. Any representation to the contrary is a criminal offence in certain jurisdictions.

The Issue Materials are supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose.

NO OFFER IN THE UNITED STATES

THE RIGHTS ENTITLEMENTS AND THE RIGHTS EQUITY SHARES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “U.S. SECURITIES ACT”) AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES, EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. ACCORDINGLY, THE RIGHTS EQUITY SHARES ARE ONLY BEING OFFERED AND SOLD OUTSIDE THE UNITED STATES IN “OFFSHORE TRANSACTIONS” AS DEFINED IN AND IN RELIANCE ON REGULATIONS UNDER THE U.S. SECURITIES ACT TO ELIGIBLE EQUITY SHAREHOLDERS LOCATED IN JURISDICTIONS WHERE SUCH OFFER AND SALE IS PERMITTED UNDER THE LAWS OF SUCH JURISDICTIONS. THE OFFERING TO WHICH THIS LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES FOR SALE IN THE UNITED STATES OR AS A SOLICITATION THEREIN OF AN OFFER TO BUY ANY OF THE SAID SECURITIES. ACCORDINGLY, YOU SHOULD NOT FORWARD OR TRANSMIT THIS LETTER OF OFFER INTO THE UNITED STATES AT ANY TIME.

Neither our Company, nor any person acting on behalf of our Company, will accept a subscription 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 Application Form should 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 under this Letter of Offer or where any action would be required to be taken to permit the Issue. Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders and will dispatch this Letter of Offer or and Application Form only to Eligible Equity Shareholders who have provided an Indian address to our Company. Any person who purchases or sells Rights Entitlements or makes an application for Rights Equity Shares will be deemed to have represented, warranted and agreed, by accepting the delivery of this Letter of Offer, that it is not and that at the time of subscribing for the Rights Equity Shares or the purchase or sale of Rights Entitlements, it will not be, in the United States and is authorized to purchase or sell the Rights Entitlement and subscribe to the Rights Equity Shares in compliance with all applicable laws and regulations.

The Rights Entitlements and the Rights Equity Shares have not been approved or disapproved by the U.S. Securities and Exchange Commission, any U.S. federal or state securities commission or any other regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Rights Entitlements, the Rights Equity Shares or the accuracy or adequacy of this Letter of Offer. Any representation to the contrary is a criminal offence in the United States.

In making an investment decision, investors must rely on their own examination of our Company and the terms of the Issue, including the merits and risks involved.

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PRESENTATION OF FINANCIAL INFORMATION AND OTHER INFORMATION

Certain Conventions

Unless otherwise specified or the context otherwise requires, all references in this Letter of Offer to (i) the 'US' or 'U.S.' or the 'United States' are to the United States of America, its territories and possessions, any state of the United States, and the District of Columbia; (ii) 'India' are to the Republic of India and its territories and possessions; and (iii) the 'Government' or 'GoI' or the 'Central Government' or the 'State Government' are to the Government of India, Central or State, as applicable.

Unless otherwise specified, any time mentioned in this Letter of Offer is in IST. Unless indicated otherwise, all references to a year in this Letter of Offer are to a Calendar Year. Unless stated otherwise, all references to page numbers in this Letter of Offer are to the page numbers of this Letter of Offer. In this Letter of Offer, references to the singular also refer to the plural and one gender also refers to any other gender, where applicable.

Financial Data

Unless stated otherwise, or unless the context requires otherwise, the financial data in this Letter of Offer is derived from the Audited Financial Statements and Unaudited Financial Results ("**Financial Statements**"). The Audited Financial Statements were audited by, and a Limited Review of the Unaudited Financial Results were carried out by the Statutory Auditors.

Our Company's Financial Year commences on April 1 of each Calendar Year and ends on March 31 of the following Calendar Year. Unless otherwise stated, references in this Letter of Offer to a particular 'Financial Year' or 'Fiscal Year' or 'Fiscal' are to the financial year ended March 31 of that year. For further details, see "*Financial Statements*" beginning on page 60.

Our Company prepares its financial statements in accordance with Ind AS, Companies Act and other applicable statutory and/or regulatory requirements. Our Company publishes its financial statements in Indian Rupees. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Letter of Offer should accordingly be limited.

In this 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. All figures in decimals have been rounded off to the second decimal and all the percentage figures have been rounded off to two decimal places. Further, any figures sourced from third-party industry sources may be rounded off to other than two decimal points to conform to their respective sources.

Unless stated otherwise, throughout this Letter of Offer, all figures have been expressed in Rupees, in lakh.

Non-GAAP Measures

We have included certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance (collectively "**Non-GAAP Financial Measures**", and each, a "**Non-GAAP Financial Measure**") in this Letter of Offer, which are return on net worth and net asset value per equity share. These Non-GAAP Financial Measures are not required by or presented in accordance with Ind AS. We compute and disclose such Non-GAAP Financial Measures and such other statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance, and because such measures are frequently used by securities analysts, investors and others to evaluate the operational performance of other companies in our industry. Further, these Non-GAAP Financial Measures are not a measurement of our financial performance or liquidity under Ind AS, GAAP, IFRS or US GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years/ period or any other measure of financial

performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, GAAP, IFRS or US GAAP. Other companies may calculate these Non-GAAP Financial Measures differently from us, limiting its usefulness as a comparative measure. However, these Non-GAAP Financial Measures may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other companies. Accordingly, such Non-GAAP Financial Measures have important limitations as analytical tools, and you should not consider them in isolation or as substitutes for analysis of our financial position or results of operations as reported under GAAP.

Currency of Presentation

All references to

- ‘INR’, ‘₹’, ‘Indian Rupees’ and ‘Rupees’ are to the legal currency of the Republic of India;

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FORWARD LOOKING STATEMENTS

Certain statements contained in this Letter of Offer that are not statements of historical fact constitute ‘forward-looking statements’. Investors can generally identify forward-looking statements by terminology such as ‘aim’, ‘anticipate’, ‘believe’, ‘continue’, ‘can’, ‘could’, ‘estimate’, ‘expect’, ‘expected to’, ‘intend’, ‘is likely’, ‘may’, ‘objective’, ‘plan’, ‘potential’, ‘project’, ‘pursue’, ‘shall’, ‘should’, ‘will’, ‘would’, or other words or phrases of similar import. Similarly, statements that describe the strategies, objectives, plans or goals of our Company are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements.

All statements regarding our Company’s expected financial conditions, result of operations, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our Company’s business strategy, planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts), new business and other matters discussed in this Letter of Offer that are not historical facts. These forward-looking statements contained in this Letter of Offer (whether made by our Company or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of our Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. All forward-looking statements are subject to risks, uncertainties and assumptions about our Company that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from our Company’s expectations include, among others:

1. Our sales and marketing efforts to attract customers may be ineffective.
2. We depend on third parties for the supply of certain products and such parties could fail to meet their obligations, which may have a material adverse effect on our business, results of operations and financial condition.
3. A prolonged slowdown in economic growth in India or financial instability in other countries, could cause our business to suffer.
4. Our ability to successfully implement our growth strategy and expansion plans, and to successfully launch and implement various business plans;
5. Any failure or disruption of our information technology system;
6. Increasing competition in or other factors affecting the industry segments in which our Company operates;
7. Changes in laws and regulations relating to the industries in which we operate;
8. Fluctuations in operating costs and impact on the financial results;
9. Our ability to attract and retain qualified personnel;
10. Changes in political and social conditions in India or in other countries that we may enter, the monetary and interest rate policies of India and other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices; and
11. General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed in the section entitled “*Risk Factors*” beginning on page 21.

The forward-looking statements contained in this Letter of Offer are based on the beliefs of our Company’s management, as well as the assumptions made by, and information currently available to, the management of our Company. Whilst our Company believes that the expectations reflected in such forward-looking statements are reasonable at this time, it cannot assure investors that such expectations will prove to be correct. Given these uncertainties, Investors are cautioned not to place undue reliance on such forward-looking statements. In any event, these statements speak only as of the date of this Letter of Offer or the respective dates indicated in this Letter of Offer, and our Company undertakes no obligation to update or revise any of them, whether as a result of new information, future events or otherwise. If any of these risks and uncertainties materialise, or if any of our Company’s underlying assumptions prove to be incorrect, the actual results of operations or financial condition of our Company could differ materially from that described herein as anticipated,

believed, estimated or expected. All subsequent forward-looking statements attributable to our Company are expressly qualified in their entirety by reference to these cautionary statements.

In accordance with SEBI and Stock Exchange requirements, our Company will ensure that the Eligible Equity Shareholders are informed of material developments until the time of the grant of listing and trading permissions for the Rights Equity Shares by the Stock Exchange.

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SUMMARY OF LETTER OF OFFER

The following is a general summary of certain disclosures included in this Letter of Offer and is neither exhaustive, nor does it purport to contain a summary of all the disclosures in this Letter of Offer or all details relevant to the prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Letter of Offer, including, the sections entitled “*Risk Factors*”, “*Capital Structure*”, “*Objects of the Issue*” and “*Financial Statements*” beginning on pages 21, 46, 49 and 60, respectively.

Summary of the business of the Issuer

Our Company was originally incorporated as a private limited company under the Companies Act, 1956 in the name and style of “Suri Capital & Leasing Private Limited” vide Certificate of Incorporation dated March 10, 1992, issued by the Registrar of Companies, National Capital Territory of Delhi and Haryana. Further, the name of our Company was changed to “Virtualsoft Systems Limited” on February 06, 2001, and further to “Kati Patang Lifestyle Limited” on December 24, 2024. For details related to change of registered office, please see “General Information” on page 42.

The Company was in the business of Broadband, Virtual Event & providing Mobile Roaming Servicing & Solutions till FY 2024, which it was operating primarily through its subsidiary M/s Roam 1 Telecom Ltd (“Roam 1”). However, due to fast changes in technologies and market developments, this business was suffering, resulting in depleted revenues and operating assets. The Company decided to divest from its mobile roaming services business through sale of its holdings in its subsidiary M/s Roam 1 Telecom Ltd vide its Board Meeting dated June 25, 2024.

Further, the Company decided to make a shift and enter into alcoholic spirits and associated lifestyle business, and vide its Board Meeting dated June 25, 2024, decided to acquire 100% holding in M/s Empyrean Spirits Private Limited, (“ESPL”), a Private limited company incorporated under the Companies Act, 2013 (CIN: U15549DL2017PTC313380) and having its registered office at present at 504, Savitri Cinema Complex, Greater Kailash-2, New Delhi-110048. ESPL operates under the brand name of “Kati Patang” and is an Indian craft beer brand that brews in traditional style with a flavouring twist.

Post completion of above-mentioned divestment from “Roam 1” and acquisition of “ESPL” the Company shifted from Roaming Services business to alcoholic spirit business. In continuation of this shift of operations the Company changed its name w.e.f. December 24, 2024, from M/s Virtualsoft Systems Ltd. to M/s Kati Patang Lifestyle Limited.

Brief description of our business:

Kati Patang Lifestyle Ltd, the holding company operates its business through its subsidiary ESPL which deals mainly in craft beer & other alcoholic beverages & other lifestyle products. We operate under the brand name “Kati Patang” wherein we manufacture beers with different Indian flavors. As on date we do not have any of our own manufacturing facility and gets our manufacturing done through contract manufacturing.

List of our products:

1. Kati Patang Zesty Amber Ale:
 - a. **Style:** Amber Ale
 - b. **Flavor Profile:** Citrusy and bright with notes of grapefruit, orange peel, and caramel, balanced by a light bitterness.
 - c. **Appearance:** Vibrant amber hue.
 - d. **Aroma:** Caramel, toasted bread, and zesty grapefruit.
2. Kati Patang Bareilly Bold Craft Strong Beer:
 - a. **Style:** Craft Strong Beer
 - b. **Flavor Profile:** Rich maltiness with caramel notes, balanced by a moderate hop bitterness.
 - c. **Appearance:** Deep golden color with a thick, frothy head.
 - d. **Aroma:** Malty sweetness, floral hops, and hints of citrus.
3. Kati Patang Saffron Lager:
 - a. **Style:** Lager
 - b. **Flavor Profile:** Clean and crisp with subtle notes of saffron from Kashmir.
 - c. **Appearance:** Light-bodied golden color.

d. **Aroma:** Subtle aromatic notes from the saffron.

4. Snappy Wheat: Kati Patang also offers other beers, including a Snappy Wheat Beer which incorporates turmeric, ginger, peppercorn, and coriander.

	ZESTY AMBER	SNAPPY WHEAT	SAFFRON LAGER	BAREILLY BOLD	BAREILLY EXTRA
					
	Complex yet smooth ale with light citrus notes	Crisp wheat character blended with organic Indian spices	Refreshing and clean lager gently steeped in Saffron from Pampore, Kashmir	Strong, bold lager eased with the earthiness of Palash, state flower of UP	Extra strong avatar of Bareilly Bold
	← MILD		→	STRONG →	
ABV	4.6%	4.6%	4.6%	6.5%	8%
Innovation	HIGH	HIGH	HIGH	MODERATE	LOW
	The only bottled Amber Ale in India Won Silver at BIBC, Berlin	An original "Indian" witbier Won Silver at BIBC, Berlin	Saffron used for the first time to bring the earthy notes in the flavor notes. Won GOLD at NYIBC	Palash flowers add slight muskiness in the beer	Mass appeal strong lager
Presence	DOMESTIC	DOMESTIC	DOMESTIC, INT: US	INT: US	DOMESTIC

Financial Highlights

Kati Patang is the holding company of the ESPL. ESPL is offering mainly beer products. In Fiscal 2025, on a consolidated basis, the Company has reported operational revenue (net of excise duty) of ₹ 1092.37 Lakhs and Net Loss of ₹ 479.92 Lakhs as compared to a revenue of Rs. 511.82 Lakh & Net Loss of Rs. 240.58 Lakh in Fiscal 2024. A brief summary of the financials for years ended March 31, 2025, March 31, 2024, and March 31, 2023, derived from the Audited Consolidated Financial Results and the Audited Consolidated Financial Statements, respectively, of our Company is provided under section "Summary of Financials" on page 61.

Intention and extent of participation by our Promoters and Promoter Group with respect to (i) their rights entitlement, (ii) their intention to subscribe over and above their rights entitlement; and (iii) their intention to renounce their rights, to any specific investor(s).

Our Promoters have confirmed that they will (i) subscribe to the full extent of their Rights Entitlements in the Issue, and they may renounce their Rights Entitlements in favour of the Promoter Group or specific investor(s), provided such participation shall not result in a breach of the minimum public shareholding requirement, or for the purpose of complying with minimum public shareholding norms prescribed under the SCRR, and (ii) subscribe to the Rights Entitlements which may be renounced in their favour by any other member of the Promoter Group, except to the extent of renunciation by the Promoters for the purpose of complying with minimum public shareholding norms prescribed under the SCRR. Further, our Promoters confirmed that during the Issue Period, they intend to (i) apply for and subscribe to additional Equity Shares, and (ii) subscribe to Equity Shares, if any, which remain unsubscribed in the Issue. Our Promoter Group, to the extent that they hold Equity Shares in the Company, have confirmed to either (i) subscribe to the full extent of their respective Rights Entitlements in the Issue, or (ii) renounce, any or all, of their Rights Entitlements in the Issue in favour of our Promoters or specific investor(s).

Further, the under-subscribed portion of the issue may also be allotted to any specific investor(s) recognised by the Company. Name(s) of the specific investor(s), if any, shall be disclosed in a public advertisement two days prior to the issue opening date.

The acquisition of Rights Equity Shares by our Promoters and other members of our Promoter Group in this Issue shall be eligible for exemption from open offer requirements in terms of Regulation 10(4)(a) and 10(4)(b) of the SEBI

Takeover Regulations, and the Issue shall not result in a change of control of the management of our Company in accordance with provisions of the SEBI Takeover 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.

Compliance with SEBI (Listing Obligation and Disclosure Requirements), Regulations 2015

Except for the late submission of financial results of for period ended on March 31, 2023, as per Regulation 33, our Company is in compliance with the Listing Agreement and SEBI (Listing Obligation and Disclosure Requirements), Regulations 2015 for a period of the last three years immediately preceding the date of filing of this Letter of Offer. Further, as on date of this LOF, there is no outstanding fine/penalty against the Company.

Confirmation

- Neither our Company, nor our Promoters or Directors are a Willful Defaulter or a Fraudulent Borrower.
- Our Company's Equity Shares have not been suspended from trading as a disciplinary measure, during the last three years immediately preceding the date of filing of the Letter of Offer.

Summary of outstanding litigation and defaults

As on the date of this Letter of Offer, neither our Company nor our Promoter or Directors have been issued any show cause notice(s) by SEBI or the Adjudicating Officer in a proceeding for imposition of penalty, nor have any prosecution proceedings been initiated against them by SEBI.

A summary of outstanding legal proceedings involving our Company and our Subsidiaries as on the date of this Letter of Offer is set forth in the table below:

Name of entity	Proceedings involving criminal liability	Proceedings before regulatory authorities involving material violations of statutory regulations	Matters involving economic offences where proceedings have been initiated	Other pending matters which, if they result in an adverse outcome, would materially and adversely affect the operations or the financial position	Aggregate amount involved (₹ in lakh)
By our Company	NIL	NIL	NIL	NIL	NIL
Against our Company	NIL	NIL	NIL	NIL	NIL
By our Subsidiaries	NIL	NIL	NIL	NIL	NIL
Against our Subsidiaries	NIL	NIL	NIL	NIL	NIL

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SECTION II - RISK FACTORS

An investment in 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 Letter of Offer, including the uncertainties described below, before making an investment in the Equity Shares. You should read this section together with "Summary of Letter of Offer", "Financial Statements", and "Summary of Financials" on pages 18, 60 and 61 of this Letter of Offer.

The risks described below are those that we consider to be most significant to our business, cash flows, results of operations and financial conditions as of the date of this Letter of Offer. However, they may not be exhaustive or are not the only risks relevant to us or the Equity Shares or the industry in which we currently operate. 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 materially affect our business, results of operations and financial condition. If any or some combination of the following risks, or other risks that we do not currently know about or don't believe to be material, actually occur, our business, results of operations and financial condition could suffer, the trading price of, and the value of your investment in our Equity Shares could decline, and you may lose all or part of your investment. In making an investment decision, you must rely on your own examination of our Company and the terms of this Issue, including the merits and risks involved.

This Letter of Offer contains certain forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Letter of Offer. For further information, see "Forward Looking Statements" on page 16. Unless otherwise indicated or the context requires otherwise, the financial information included herein is based on our Annual Financial Statements, included in this Letter of Offer. For further information, see "Financial Statements" on page 60. Our financial year ends on March 31 of each year, and references to a 'Financial Year' are to the twelve months ended March 31 of that year.

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

- We have incurred losses for the year ended March 31, 2025, 2024 and 2023 and may continue to do so in the future, which may adversely impact our business and the value of the Equity Shares.***

While our income has increased during the year ended March 31, 2025, 2024 and 2023, we have incurred significant expenses to support our operations, which resulted in net losses in such periods. The following table sets forth certain financial information, on consolidated basis, for the periods indicated:

(Amount in ₹ lakhs)

Particulars	March 31, 2025	March 31, 2024	March 31, 2023
Operational income (net of excise duty)	1092.37	511.82	358.70
Net profit / (loss) after tax and exceptional items	(479.92)	(240.58)	(415.15)

We may, in the future, incur losses and have negative cash flows, and may not achieve or maintain profitability. We need to generate and sustain increased revenue levels and decrease proportionate expenses in future periods to achieve profitability. We cannot assure you that we will achieve profitability or not incur significant losses. Any failure by us to achieve or sustain profitability on a consistent basis, or at all, may have an adverse impact on the value of our Equity Shares.

We may continue to incur increased expenses in the near term as we continue to deepen our presence in line with our strategies. An increase in capital expenditures as we invest in and expand our operations would negatively affect our net cash flows. Our operating costs and other expenses may also be greater than we anticipate, and our investments to make our business and our operations more efficient may not be successful, which could further prevent us from achieving positive cash flow from operations on a consistent basis. Negative cash flows over extended periods could materially impact our ability to operate our business and implement our growth plans, which may have an adverse effect on our business, results of operations and financial condition.

2. ***Our Company relies substantially on our Subsidiary M/s Emphyrean Spirits Private Limited (“ESPL”) to generate revenue and any decline in the earnings of ESPL or its ability to pay dividends to our Company could materially and adversely affect our earnings. Our ability to pay dividends in the future will also depend on our earnings, financial condition, working capital requirements, capital expenditures and restrictive covenants of our financing arrangements.***

Our Company conducts its liquor business through its subsidiary, M/s Emphyrean Spirits Private Limited, which operates and manages our liquor business. Consequently, the consolidated earnings and cash flows of our Company are substantially dependent on the financial performance of the subsidiary. Any adverse impact on the earnings of the subsidiary may materially affect our Company’s consolidated financial results and liquidity position. There can be no assurance that the subsidiary will generate adequate earnings or cash flows to enable it to distribute dividends or other funds to our Company, which may affect our ability to meet our financial and operational obligations.

Further, our ability to declare and pay dividends in the future will depend on a number of factors, including our earnings, financial condition, cash flows, working capital needs, and capital expenditure requirements. Any decision regarding the declaration and payment of dividends will be at the discretion of our Board of Directors and will be based on such factors as the Board may consider relevant at the time, including, among others, our future earnings, financial position, liquidity, business outlook, and any existing or future financing arrangements. In addition, any such financing arrangements may contain restrictive covenants that could limit our ability to distribute dividends. Accordingly, there can be no assurance that we will declare or pay any dividends in the future.

3. ***Our sales and marketing efforts to attract customers may be ineffective.***

In our line of business we have to invest significantly in sales and marketing activities to promote our brand, our products and to deepen our relationships with customers. We use various marketing strategies to expand our brand reach, attract new customers and increase brand and product awareness. In the financial year ended on March 31, 2025, March 31, 2024, and March 31, 2023, our marketing expenses amounted to as following:

(in ₹ lakhs)

Particulars	Marketing expenses		
	Fiscal 2025	Fiscal 2024	Fiscal 2023
Kati Patang (on a consolidated basis)	79.19	0.93	4.49
Emphyrean Spirits Pvt Ltd (subsidiary of our Company)	78.00	Not a subsidiary then	Not a subsidiary then

As a new brand as compared to existing peer brands in Indian market, our marketing strategies is focused on enhancing our brand image and increasing our brand awareness, primarily. Our marketing initiatives may entail increasing costs, and there can be no assurance that such expenditures will yield commensurate returns. If our marketing strategies are not effective in driving business growth, our business, financial condition, cash flows and results of operations could be adversely affected. The dynamic nature of marketing tools and evolving industry practices may necessitate continual adaptation and experimentation with new approaches to align with changing customer preferences and market trends. Failure to adequately refine our existing marketing strategies or to develop and implement effective new marketing initiatives in a cost-efficient manner could result in a loss of market share and have a material adverse effect on our operational and financial performance. Further, there is no assurance that we will be able to recover the costs incurred in connection with our sales and marketing activities or that such efforts will result in the acquisition of new customers.

4. ***We depend on third party manufacturer (contract manufacturer) for the supply of our products and such parties could fail to meet their obligations, which may have a material adverse effect on our business, results of operations and financial condition.***

Our subsidiary, ESPL, is engaged in the business of manufacturing and marketing of liquor products (Beer); however, it does not operate its own production facilities. Instead, ESPL relies on contract manufacturing arrangements with third-party manufacturing facilities, where production is carried out in accordance with fixed parameters prescribed by ESPL. While this model provides flexibility, it also exposes ESPL to certain business risks. Any disruption in manufacturing at these third-party facilities - due to quality issues, capacity constraints, regulatory action, or non-adherence to timelines - may adversely affect the timely availability of products, impacting ESPL's sales and margins. Further, ESPL may face challenges in maintaining consistent product quality and meeting demand if suppliers discontinue operations or if there is a shortage of raw materials or packaging inputs. Additionally, any policy changes affecting the availability or cost of components may adversely impact ESPL's ability to deliver products to the market and, consequently, its financial performance.

Being dependent on third party manufacturers to be able to sale our products makes our operations dependent on preferences of these third party manufacturers. These third party manufacturers may prefer to deploy their whole capacity for manufacturing for our competitors who offers better commercial contracts. There can also be no assurance that strong demand, capacity limitations or other problems experienced by such third party manufactures will not result in occasional shortages or delays in their ability to supply of our products. If we fail to anticipate customer demand properly, a temporary oversupply or undersupply could affect our gross margin and may also affect our working capital management. We believe that shortages and oversupply are integral to our business cycle, and hence there can be no assurance that shortages or oversupply of our products will not occur in the future or that any such shortages or oversupply will not be a major contributing factor to our results of operations.

If we were to experience a significant or prolonged shortage of our products from any of our third party manufacturers, and we are unable to procure these products from other sources, we would be unable to deliver to our customers in a timely manner, which would adversely affect our sales, profit margins and customer relations. We cannot assure you that a particular supplier will continue to supply these products to us in the future.

5. Sustained negative cash flow could adversely impact our business growth, financial condition, and results of operations.

Our Company had negative cash flows from our operating, investing and financing activities in previous years including for Financial Year 2025. Summary of our Cash Flows from Operating activities, Investing Activities and Financing Activities for financial years ended on March 31, 2025, 2024 and 2023 on Consolidated basis are as follows:

	<i>(Rs. In Lakh)</i>		
Particulars	March 31, 2025	March 31, 2024	March 31, 2023
Cash flow from Operating Activities	(125.77)	(323.07)	(327.78)
Cash flow from Investing Activities	(1782.03)	(90.44)	(24.84)
Cash flow from Financing Activities	1949.68	396.14	384.79

The Cash flow of a company is a key indicator to show the extent of cash generated from operations to meet capital expenditure, pay dividends, repay loans and to make new investments without raising finance from external resources. Any operating losses or negative cash flows could adversely affect our results of operations and financial conditions. If we are not able to generate sufficient cash flow, it may adversely affect our business and financial operations. For further details please refer to the section titled "Financial Statements" on page 60, of this Letter of Offer.

6. We incur high expenses in relation to marketing expenses, brand building, professional fees & commission and ancillary items. If we are unable to obtain favourable pricing from suppliers, it could affect our profitability.

We incur high expenses in relation to marketing, brand building and ancillary items. Our profitability is susceptible to these costs. The increase in the prices may depress our margins to the extent that it is not possible to

pass these higher prices on to our customers. If our Company is unable to obtain favourable pricing or discounts from vendors/suppliers, it could affect our profitability.

7. *We are subject to significant regulatory & legal risks associated with the operation of our products. Changes in laws or regulations related to our products could adversely affect our business.*

We are into Liquor business, which is highly regulated by the government of India. Government regulations regarding the liquor businesses in India is primarily governed by state-level excise laws and regulations, with some aspects also touched upon by central legislation. The specific regulations vary significantly from state to state, with some states even having varying rules within their jurisdictions.

Licensing : A liquor license is mandatory for engaging in any activity related to liquor, including manufacturing, import, export, transport, and sale. The process and requirements for obtaining a license vary across states.

Production, Storage, and Distribution: The Excise Department, in each state, controls the entire supply chain, from manufacturing to retail sales, to prevent the sale of spurious liquor, illicit distillation, and the clandestine trade of non-duty-paid liquor.

Retail Sales : Regulations often specify the quantity of liquor that can be sold by retail and possessed by individuals. There may also be restrictions on the location of liquor stores, for example, minimum distance from highways or educational institutions.

Prohibition : Some states have implemented prohibition policies, banning the sale and consumption of alcohol.

Advertising : Advertising restrictions, particularly concerning tobacco, alcohol, and gambling, are common.

Community Action : In certain areas, local bodies or panchayats may have the power to enforce regulations or restrictions on the sale or consumption of alcohol.

Any changes in government policies on any matter enumerated above or on any other matter arising thereof it could affect our sales & profitability.

8. *Setting up our own manufacturing facilities will require us to obtain approvals or permits, and we will be required to fulfil certain conditions precedent in respect of some of them. Anything contrary could adversely affect our business.*

As on date we do not operate own production facilities. Instead, rely on contract manufacturing arrangements with third-party manufacturing facilities. To successfully set up any manufacturing facility, we will be required to obtain statutory and regulatory approvals and permits and applications need to be made. We are required to obtain the approval of manufacturing in each state wherever we wish to set up. Furthermore, we need license for sale and distribution state-wise. Any failure to obtain the necessary approvals in time or at all may result in material delays in the set-up of our facilities, which may prejudice our growth strategy and could have an adverse impact on our cash flows and results of operations. We cannot assure you that we will be able to obtain approvals or renewals in relation to our own facilities when we establish, at such times or in such form as we may require, or at all.

9. *Our Company has in the past entered certain related party transactions and may continue to do so in future. Any related party transactions that are not on an arm's length basis or that may lead to conflicts of interest may adversely affect our business, results of operation, cash flows and financial condition.*

Our Company has entered into various transactions with related parties in the ordinary course of business. These transactions principally include income from functional support services, reimbursement of expenses, loans and other services, directors' sitting fees, , marketing and project fees, and management fee income, amongst others.

While all such related party transactions have been conducted on an arm's length basis, there can be no assurance that we could not have achieved more favourable terms had such transactions not been entered into with related parties. Further, it is likely that we may continue to enter into related party transactions in the future. There can be no assurance that such transactions in future, individually or in the aggregate, will always be in the best interests of our minority shareholders and it will not have an adverse effect on our business, results of operations, cash flows and financial condition. For details please refer chapter title "Financial Statements" on page 60 of this LOF.

10. *Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates and have not been independently appraised and may be subject to change based on various factors, some of which are beyond our control.*

Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates and have not been independently appraised and may be subject to change based on various factors, some of which are beyond our control. Our funding requirements and deployment of the Net Proceeds are based on internal management estimates based on current market conditions and have not been appraised by any bank or financial institution or other independent agency. Further, in the absence of such independent appraisal, our funding requirements may be subject to change based on various factors which are beyond our control. For details, see "Objects of the Issue" on page 49. However, the deployment of the Gross Proceeds will be monitored by the Monitoring Agency, Acuite Ratings & Research Limited, appointed by the Company for the purpose of this Rights Issue.

11. *We could be exposed to risks relating to the handling of price sensitive information.*

Indian laws rules and regulations generally require body corporates institutions to protect and prohibit unauthorized disclosure of price sensitive information. These laws and regulations may continually change as a result of new legislation, amendments to existing legislation, changes in the enforcement policies and changes in the interpretation of such laws and regulations by the courts or the regulators. Compliance with new and evolving privacy and security laws, regulations and requirements may result in increased compliance costs and may constrain or require us to alter our existing data protection processes and infrastructure. Deficiencies in managing our information systems and data security practices may lead to leaks of UPSI and may result in action by the regulator against the company or Designated Person's and may hamper it's business. Till the date of this Letter of Offer no such incident has happened, but there is no surety of effective management of same.

12. *We are subject to risks associated with expansion into new geographic regions.*

Presently we operate in four states (Delhi, Punjab, Himachal Pradesh and Haryana). As we expand our operations, we are subject to various challenges, such as lack of familiarity with the regulations and economic conditions of new regions, language barriers, difficulties in staffing and managing such operations, and the lack of brand recognition and reputation in new geographic regions, including different states in India & outside India. The risks involved in entering new geographic markets and expanding operations may be higher than expected, and we may face significant competition in such markets. Accordingly, we could lose some or all of our investment in such regions, which could have a material adverse effect on our business, cash flows, financial condition and results of operations.

13. *We conduct certain business operations on leased premises and our inability to renew such leases may adversely affect our business, results of operations and financial condition.*

Our offices are located in premises held by us on leasehold basis. In case of any deficiency in the title of the owners from whose premises we operate, breach of the contractual terms of any lease, leave and license agreements, or if any of the owners of these premises do not renew the agreements under which we occupy the premises, or if they seek to renew such agreements on terms and conditions unfavourable to us, or if they terminate

our agreements, we may suffer a disruption in our operations and will have to look for alternate premises. While we have not suffered such a disruption in our operations till now, there is a possibility that this disruption may occur. We may be unable to relocate our facilities and our offices in a timely manner or at acceptable terms, which may adversely affect our business, results of operations and financial condition.

- 14. *We may not have sufficient insurance coverage to cover all possible economic losses. If we incur an uninsured loss or a loss that significantly exceeds the limits of our insurance policies, the resulting costs may have a material adverse effect on our business, cash flows, financial condition and results of operations.***

There are possible losses, which we may not have insured against or covered or wherein the insurance cover in relation to the same may not be adequate. If we were to incur a serious uninsured loss or a loss that significantly exceeds the limits of our insurance policies, it could have a material adverse effect on our business, financial condition, results of operations and cash flows. Our policies are subject to standard limitations that apply to the length of the interruption covered and the maximum amount that can be claimed. Therefore, insurance might not necessarily cover all losses incurred by us and we cannot provide any assurance that we will not incur losses or suffer claims beyond the limits of, or outside the relevant coverage of, insurance policies. We cannot assure you that the operation of our business will not be affected by any of the risks and hazards listed above. In addition, our insurance may not provide adequate coverage in certain circumstances or the values of which exceed insurance limits, economic or consequential damages that are outside the scope of insurance coverage and claims that are excluded from coverage. If our arrangements for insurance are not adequate to cover claims, we may be required to make substantial payments and our results of operations, financial condition and cash flows may therefore be adversely affected.

- 15. *We depend on third parties for the supply of raw materials and delivery of products and such third parties could fail to meet their obligations, which may have a material effect on our business, results of operations, and financial condition.***

We rely on third-party suppliers for our raw materials. Any disruption in production, failure to adhere to delivery schedules, or inability to provide materials of the required quality could disrupt our production and impact our business operations and results. This dependence could also affect the availability of key materials at reasonable prices, potentially reducing our margins and negatively affecting our financial performance. Additionally, high demand, capacity limitations, or other challenges faced by our suppliers may lead to occasional shortages or delays in raw material supply. In the event of a significant or prolonged shortage of raw materials from any supplier, and if alternative sources are unavailable, we may be unable to meet production schedules for key products. This could impact on our ability to deliver products to customers on time, negatively affecting sales, margins, and customer relationships. We cannot guarantee that a particular supplier will continue to provide the necessary components or raw materials in the future, and any changes in the supply pattern could adversely affect our business and profitability.

- 16. *Our failure to identify and understand evolving technological changes, industry trends, and preferences and to develop new products to meet our customers' demands may materially adversely affect our Business.***

To effectively respond to changing customer preferences and requirements, we must develop and introduce new products that meet customer demand and satisfaction in a timely manner. While we continually invest in R&D and strive to launch new products, there is no guarantee of success in product development or in meeting customer expectations. Failure to successfully develop new products that align with evolving customer preferences could negatively impact demand for our consumer products and, in turn, adversely affect our business and operational results.

- 17. *We engage in a highly competitive business and any failure to effectively compete could have a material adverse effect on us.***

We face competition from other manufacturers in both the organized and unorganized segments. Our competitors may enter into business combinations or alliances that strengthen their competitive positions, potentially limiting our opportunities to do the same. Increasing competition could lead to pricing pressures, reduced profit margins, lost market share, or a failure to improve our market position, all of which could significantly impact our business and results of operations.

Additionally, factors such as product availability, competitiveness, manufacturing capabilities, technological advancements, brand recognition, the strength of our sales and distribution network, and the quality and pricing of our products all influence our ability to attract customers in competitive situations, ultimately affecting our market share.

- 18. *We have not entered into long-term contracts with our suppliers/ vendors. Any significant increases or fluctuations in prices of, or shortages of, or delays or disruption in supply of any of the raw materials used by us could adversely affect our business, results of operations, cash flows, and financial condition.***

Our manufacturing operations depend on obtaining timely and adequate supplies of various raw materials and components required for our manufacturing process. If our suppliers/vendors are unable to supply the raw material and/or components required for the manufacture of our products, in sufficient quantities or at all, and in a timely manner, our ability to obtain raw material and components at competitive rates from alternate sources could be adversely affected because of higher prices, thereby adversely affecting our operating margins and results of operations. Further we do not enter into long-term agreements with the suppliers of raw material and components. We may not be able to find alternate suppliers/ vendors with required standard of quality and enter into contracts with favorable commercial terms or at all, in case of any severance of our relations with our existing suppliers/vendors, which could adversely affect our business, results of operation, cash flows and financial condition.

Further, numerous factors, most of which are beyond our control, drive the cycles of raw materials/ components, such as general economic conditions, competition, production costs and levels, transportation costs, indirect taxes and import duties, tariffs and currency exchange rate. While we have generally been able to pass on the increase in cost of raw materials/ components to our customers, there can be no assurance that we will be able to continue doing so in the future. If we are unable to pass on cost increases to our customers or are unsuccessful in managing the effects of raw material price increase, our business, financial condition, cash flow and results of operations could be materially and adversely affected.

- 19. *We are a listed company and are required to comply with rules and regulations imposed by the Stock Exchange and SEBI with respect to continuous listing and the Companies Act. Any failure to comply with such rules and regulations or any wrong disclosure made to the Stock Exchange, or any statutory authority, could result in penalties being imposed on us, which may adversely affect our business and operations.***

As a listed company, we are required to comply with certain conditions for continuous listing under the SEBI Listing Regulations and other rules and regulations imposed by SEBI, which require us to make certain periodic disclosures, including disclosures about any material events or occurrences with respect to our Company, disclosure of our financial statements and disclosure of our updated shareholding pattern. Any failure to comply with these continuous disclosure requirements or any wrongful disclosure made by us to the Stock Exchange, or any other statutory authority may lead to penalties being imposed on us.

There have been, on a few occasions, inadvertent non-compliances done by our Company as required under the provisions of SEBI LODR 2015. Please refer page 63 of this Letter of Offer in Chapter “Other Regulatory and Statutory Disclosures” for details of said non-compliances. We believe we are in compliance with rules and regulations imposed by the BSE and SEBI with respect to continuous listing, any failure to comply with such rules and regulations or any wrong disclosure/ Non-filing to the BSE or any statutory authority could result in penalties being imposed on us, which may adversely affect our business and operations.

20. *Internal or external fraud, dishonesty, or misconduct by our personnel could have a negative impact on our reputation and financial results.*

Misconduct by our employees could bind us to transactions that exceed authorized limits or present unacceptable risks, and our employees could conceal unauthorized or unlawful activities from us. Employee misconduct could also involve front-running in securities markets or the improper use or disclosure of confidential information or non-compliance with insider trading rules, which could result in regulatory sanctions and serious reputational or financial harm.

It is not always possible to deter fraud or misconduct by employees, and the precautions we have taken and the systems we have put in place to prevent and deter such activities may not be effective in all cases. Any instances of fraud or misconduct could adversely affect our reputation, business, results of operations, and financial condition.

21. *Our business requires substantial capital, and any disruption in funding sources would have a material and adverse effect on our liquidity and financial condition.*

The liquidity and ongoing profitability of our business are, in large part, dependent upon our timely access to, and the costs associated with, raising capital. Our funding requirements historically have been met from a combination of shareholder funding, and unsecured loan funds. Thus, our business depends on and will continue to depend on our ability to access diversified funding sources. Our ability to raise funds on acceptable terms and at competitive rates continues to depend on various factors including our credit ratings, the regulatory environment and policy initiatives in India, developments in the international markets affecting the Indian economy, investors' and/or lenders' perception of demand for debt and equity securities, and our current and future results of operations and financial condition. Further, as we grow, we may have to finance our funding from debt also. Any disruption in our primary funding sources at competitive costs would have a material adverse effect on our liquidity and financial condition.

22. *Our intellectual property rights may be infringed upon or we may infringe the intellectual property rights of third parties.*

We have been using our registered trademarks to conduct our business. However, there is no assurance that our trademark will not be infringed upon. Depending on whether we are able to discover any such infringement of our trademark or successfully enforce our legal rights in the jurisdictions where such infringements may occur, our business and branding may suffer as a result of any misuse of our trademark. In such circumstances, our reputation and business may be adversely affected. Further, if we decide to pursue action against such infringements to protect our reputation, it could result in diversion of our resources and our financial results may be adversely affected. Similarly, we may also infringe the intellectual property rights of third parties in the use of our trademark in our operations. Although we are not aware of any such infringement by us, there is no assurance that we will not infringe or have not infringed the intellectual property rights of any third party. In the event of any such infringement, we may be subject to our claims or actions and our business, reputation, financial condition and results of operations may be adversely affected.

23. *Our business is based on the trust and confidence of our customers; any damage to that trust and confidence may materially and adversely affect our business, future financial performance, and results of operations.*

We are dedicated to earning and maintaining the trust and confidence of our customers and we believe that a good reputation is essential to our business. The reputation of our Company could be adversely affected by any threatened and/or legal proceedings and/or any negative publicity or news articles in connection with our Company. As such, any damage to our reputation could substantially impair our ability to maintain or grow our business. If we fail to maintain brand recognition with our target customers due to any issues with our product offerings, a deterioration in service quality, or otherwise, our market perception and customer acceptance of our brands may also decline.

24. *We may not be successful in implementing our business strategies.*

The success of our business depends substantially on our ability to implement our business strategies effectively or at all. Even though we have successfully implemented our business strategies in the past, there is no guarantee that we can implement the same on time and within the estimated budget going forward, or that we will be able to meet the expectations of our targeted customers. Changes in regulations applicable to us may also make it difficult to implement our business strategies. Failure to implement our business strategies would have a material adverse effect on our business and the results of operations.

25. *Our promoter and promoter group play a key role in our functioning, and we heavily rely on their knowledge and experience in operating our business. Therefore, it is critical for our business that our Promoter and promoter group remain associated with us. Our success also depends upon the services of our key managerial personnel and our ability to attract and retain key managerial personnel and our inability to attract them may affect our operations.*

We benefit from our relationship with our promoter & promoter group and our success depends upon the continuing services of our Promoter & promoter group who have been responsible for the growth of our business and is closely involved in the overall strategy, direction, and management of our business. Our Promoter & promoter group has been actively involved in the day-to-day operations and management. Accordingly, our performance is heavily dependent upon the services of our Promoter & promoter group. If our Promoter & promoter group are unable or unwilling to continue in their present position, we may not be able to replace them easily or at all.

Further, we rely on the continued services and performance of our key executives and senior management for continued success and smooth functioning of the operations of the Company. If we lose the services of any of our key managerial personnel, we may be unable to locate suitable or qualified replacements and may incur additional expenses to recruit and train new personnel, which could adversely affect our business operations and affect our ability to continue to manage and expand our business. Our Promoters, along with the key managerial personnel, have over the years-built relations with various customers and other persons who are form part of our stakeholders and are connected with us. The loss of their services could impair our ability to implement our strategy, and our business, financial condition, results of operations, and prospects may be materially and adversely affected.

26. *Mismanagement of our inventory could have an adverse impact on our production flow, supply to customers and additional cost.*

Being a manufacturing concern stocking the right amount of inventory is crucial. If we order insufficient inventory then our production will suffer and our effectiveness will also get affected. On the other hand if we keep extra inventory, there's a chance we'll be stuck with lots of extra stock that will cost us with maintenance expenditure. The time lags present in the supply chain, from supplier to user at every stage, requires us to maintain certain amounts of inventory to use in this lead time. Inventories are maintained as buffers to meet uncertainties in demand, supply and movements of goods. The results of operations of our business are dependent on our ability to effectively manage our inventory and stocks. To do the same we must be able to accurately estimate customer demand and supply requirements and manufacture and trade inventory accordingly. If we misjudged expected customer demand it could adversely impact by causing either a shortage of products or an accumulation of excess inventory. We estimate our sales on the basis of our contemplation of the customer demands. Any disruption in operative conditions of our customers may cause loss of sales; consequently our inventory in stock will depreciate.

27. *Our growth will depend on our ability to build our brand and failure to do so will negatively impact on our ability to effectively compete in this industry.*

We believe that we need to continue to build our brand, which will be critical for achieving widespread

recognition of our products. Promoting and positioning our brand will depend largely on the success of our marketing efforts and our ability to provide high-quality products. The brand promotion activities that we may undertake may not yield increased revenues, and even if they do, any increased revenues may not offset the expenses we incur in building our brand. If we are unable to promote and maintain our brand, our business, financial condition and results of operations could be adversely affected. Quality control is a vital element for any manufacturing concern. We are an electronic equipment manufacturing company and any deficiency in the standards of quality we provide may cause us losing our orders or loss of our customer and also cause damage of goodwill. Further any failure to meet customer specifications will result in unsatisfied customer. Any rapid change in our customers' expectation on account of changes in technology or introduction of new product or any other reason and failure on our part to meet their expectation could adversely affect our business, results of operations and financial condition. Any failure on our part to successfully meet customer demand or preference may negatively affect our business, results of operation and financial condition.

28. *Our operations could be adversely affected by disputes with employees.*

As of the date of this Letter of Offer, the Company employs a workforce of 30 full-time employees. While we believe we maintain good relationships with employees, there can be no assurance that the Company will not experience future disruptions to its operations due to disputes or other problems with its workforce.

29. *Prices of the raw material we use in our manufacturing process are highly volatile.*

Any fluctuation in the market price of the components of raw material needed for our manufacturing process may affect the price and supply of the raw materials. Therefore, any significant increase in the prices of raw materials due to any reasons, and our inability to pass on increased costs of raw material to our customers or reduction in demand from our customers, may adversely affect our sales and profitability.

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

The funds that we receive would be utilized for the objects of the Issue as has been stated in the section "*Objects of the Issue*" on page no. 49 of this Letter of Offer. The proposed schedule of implementation of the objects of the Issue is based on our management's estimates. If the schedule of implementation is delayed for any other reason whatsoever, including any delay in the completion of the Issue this may affect our revenues and results of operations. We have not identified any alternate source of raising the funds required for our "*Objects of the Issue*". Any shortfall in raising/meeting the same could adversely affect our growth plans, operations, and financial performance. Our Company has not identified any alternate source of funding and hence any failure or delay on our part to mobilize the required resources or any shortfall in the Issue proceeds can adversely affect our growth plan and profitability. The delay/shortfall in receiving these proceeds may require us to borrow the funds on unfavorable terms, both of which scenarios may affect the business operation and financial performance of the Company.

31. *Dividend declaration by the Company in the future will depend upon earnings, financial condition, cash flows, working capital requirements, capital expenditure, and restrictive covenants in our financing arrangements.*

We may retain all our future earnings, if any, for use in the operations and expansion of our business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors and will depend on factors that our Board of Directors deem relevant, including among others, our results of operations financial condition, cash requirements, business prospects and any other financing arrangements. Accordingly, the realization of a gain on shareholders' investments may largely depend upon the appreciation of the price of our Equity Shares. There can be no assurance that our Equity Shares will appreciate in value.

32. ***We sell our products in highly competitive markets and our inability to compete effectively may lead to lower market share or reduced operating margins, and adversely affect our results of operations.***

India is our primary market and we face strong competition in our business nationwide players in our industry. The products that we manufacture are available in market from a large number of players manufacturing same or similar products. Thus, factors affecting our competitive success include, amongst other things, price, demand for our products, and availability of raw materials, brand recognition and reliability. As a result, to remain competitive in our market, we must continuously strive to reduce our procurement, transportation and distribution costs, improve our operating efficiencies and secure our materials requirements. If we fail to do so, other manufacturers and suppliers or wholesalers of similar products may be able to sell their products at prices lower than our prices, which would have an adverse effect on our market share and results of operations. 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 business and reputation in the Indian market as compared with us. 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.

33. ***If we fail to maintain an effective system of internal controls, we may not be able to successfully manage, or accurately report, our financial risks.***

Effective internal controls are essential for preparing reliable financial reports and preventing fraud. However, these controls may deteriorate over time due to changing business conditions. We cannot guarantee that deficiencies in our internal controls will not arise in the future, or that we will be able to implement and maintain sufficient measures to address or mitigate any such deficiencies. Inadequate detection, correction, or mitigation of these deficiencies could negatively impact our ability to accurately report financial information, manage financial risks, and prevent fraud.

34. ***Our operations are subject to risks of mishaps or accidents that could cause damage or loss to life and property and could also result in loss in our business.***

Our business operations are subject to operating risks, including fatal accidents, mishaps, failure of equipment, power supply, labour disputes, natural disasters or other force majeure conditions that are beyond our control. The occurrence of any of these factors could significantly affect our results of operations and financial condition. Long periods of business disruption could result in the termination of our project agreements. Although we take precautions to minimize the risk of any significant operational problems at our operation sites, there can be no assurance that we will not face such disruptions in the future.

We may be exposed to various risks that we may not be able to foresee or may not have adequate insurance coverage. Our insurance coverage may not be adequate to cover such loss or damage to life and property, and any consequential losses arising due to such events will affect our operations and financial condition. Further, in addition to the above, any fatal accident or incident causing damage or loss to life and property, even if we are fully insured or held not to be liable, could negatively affect our reputation, thereby making it more difficult for us to conduct our business operations effectively, availability of insurance coverage in the future and our results of operations. Such incidents could also potentially lead to legal claims for damages and the liabilities and costs arising out of such legal proceedings could have a material adverse effect on our business, results of operations and financial condition.

35. ***Technology failures or Cyber-attacks or other security breaches could have a material adverse effect on our business, results of operation, or financial condition.***

IT systems are critical to our ability to manage our operations. Our IT systems enable us to coordinate our operations, from planning, production scheduling, raw material ordering, invoicing, delivery, customer

relationship, management, and decision support. If we do not allocate and effectively manage the resources necessary to build and sustain the proper IT infrastructure, we could be subject to transaction errors, processing inefficiencies, customer service disruptions, and, in some instances, loss of customers.

We may face cyber threats, threats to the physical security of our facilities and employees, and the potential for business disruptions associated with IT failures, natural disasters, or public health crises. We have installed anti-virus software to prevent our systems and infrastructure from being infected and crippled by computer viruses. All our internet-facing servers installed at all our data centres as well as at all our offices are also secured with firewalls and intrusion prevention systems to prevent hacking. If we are unable to protect sensitive information, our customers could question the adequacy of our threat mitigation and detection processes and procedures. Due to the evolving nature of these security threats, the impact of any future incident cannot be predicted.

36. *Certain data mentioned in this 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.

37. *The success of our business depends on our ability to attract and retain senior management and employees in critical roles, and the loss of their services could have a material adverse effect on our business, financial condition, cash flows, results of operations, and prospects.*

The success of our business depends on the continued service of our senior management and various professionals including information technology resources, relationship and finance professionals, etc. As a result of ever-increasing market competition, the market demand and competition for experienced management personnel and qualified professionals has intensified. We encounter intense competition for qualified professionals from other companies in the financial services sector. Our Company invests significant time and money in training the professionals who are hired to perform the services provided to our customers. Our Company believes that there is also significant competition in our industry among employers to attract these professionals with the skills necessary to perform the services we offer. The departure or other loss of our key professionals who manage substantial client relationships or who possess substantial experience and expertise could impair our ability to successfully carry out our operations. Our business and financial condition could suffer if we are unable to retain our senior management, or other high-quality personnel, including finance, internal controls, and information technology, or cannot adequately and timely replace them upon their departure. Moreover, we may be required to substantially increase the number of our professionals and specialists in connection with any future growth plans, and we may face difficulties in doing so due to the competition in the financial services industry for such personnel. Our failure to attract, hire, retain, or replace competent personnel could materially impair our ability to implement any plan for growth and expansion. Competition for quality employees among business institutions may also require us to increase compensation, which would increase operating costs and reduce our profitability.

ISSUE-SPECIFIC RISKS

38. *Investment in Partly Paid Shares in the Issue is exposed to certain risks.*

The Issue Price of Partly Paid Shares offered under the Issue is Rs. 20/-. Investors will have to pay Rs. 10/- which constitutes 50% of the Issue Price on application and the balance Rs. 10/- which constitutes balance 50% of the Issue Price on one or more subsequent call made by our Company. If the Investor fails to pay such amount, which is to be paid on application, the Rights Entitlement of such an Investor shall be forfeited by our Company. The Partly Paid Shares offered under the Issue will be listed under a separate ISIN for the period as may be applicable prior to the Call Record Date.

An active market for trading may not develop for the Partly Paid Shares and, therefore, the trading price of the Partly Paid Shares may be subject to greater volatility than our Fully Paid Shares. If the Investor fails to pay the balance amount due with interest that may have accrued thereon (in accordance with the Articles of Association of our Company and applicable law), after notice has been delivered by our Company, then any of our Shares in respect of which such notice has been given may, at any time thereafter, before payment of one or more subsequent Call(s) and interest and expenses due in respect thereof, be forfeited by our Company.

The ISIN representing Partly Paid Shares may be frozen after the Call Record Date. On payment of the subsequent Calls in respect of the Partly Paid Shares, such Partly Paid Shares would be converted into Fully Paid Shares and shall be listed and identified under the existing ISIN for the Fully Paidup Shares. Our Company would fix a Call Record Date for the purpose of determining the list of Allottees to whom the notice for subsequent Call(s) would be sent. With effect from the Call Record Date, trading in the Partly Paid Shares for which subsequent Call(s) have been made may be suspended for such period as may be applicable under the rules and regulations. The holders of the Partly Paid Shares will not be able to trade in these shares till they are credited to the holders account as Fully Paid Shares.

39. *Our Company will not distribute the Letter of Offer and Application Form to certain overseas Shareholders who have not provided an address in India for service of documents.*

Our Company will dispatch the Letter of Offer, the Rights Entitlement Letter, and the Application Form (the “Offering Materials”) to such Shareholders who have provided an address in India for the service of documents. The Offering Materials 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 Offering Materials to retail individual shareholders in overseas jurisdictions where such distribution may be prohibited under applicable laws of such jurisdictions.

40. *Investors will not have the option of getting the Allotment of Rights Equity Shares in physical form and the Rights Entitlement of Eligible Equity Shareholders holding Equity Shares in physical form (“Physical Shareholder”) may lapse in case they fail to furnish the details of their Demat account to the Registrar.*

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, the credit of Rights Entitlement and Allotment of Rights Equity Shares shall be made in dematerialized form only. Accordingly, the Rights Entitlements of the Physical Shareholders shall be credited in a suspense escrow demat account opened by our Company during the Issue Period. The Physical Shareholders are requested to furnish the details of their demat account to the Registrar not later than two Working Days prior to the Issue Closing Date to enable the credit of their Rights Entitlements in their demat accounts at least 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 two Working Days prior to the Issue Closing Date shall lapse. Further, pursuant to a press release dated December 3, 2018, issued by the SEBI, with effect from April 1, 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).

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

Rights Entitlements that are not exercised prior to the end of the Issue Closing Date will expire and become null and void, and the 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 the dilution of your percentage ownership of the equity share capital of our Company that may be caused as a result of the Issue.

Renounees 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 Renounees prior to the Issue Closing Date. Further, in case the Rights Entitlements do not get credited in time, in case of On Market Renunciation, such Renounee will not be able to apply in this Issue with respect to such Rights Entitlements. For details, see “*Terms of the Issue*” on page 67 of this Letter of Offer.

- 42. *There is no guarantee that the Rights Equity Shares issued pursuant to the issue will be listed on the Stock Exchange in a timely manner or at all, and any trading closure at the Stock Exchange may adversely affect the trading price of our Equity Shares.***

In accordance with Indian law and practice, final approval for listing and trading of the Rights Equity Shares will not be granted by the Stock Exchange until those Rights Equity Shares have been issued and allotted. Approval will require all relevant documents authorizing the issuing of Rights Equity Shares to be submitted. There could be a failure or delay in listing the Rights Equity Shares on the Stock Exchange. Any failure or delay in obtaining approval would restrict investors’ ability to dispose of their Equity Shares. Further, historical trading prices, therefore, may not be indicative of the prices at which the Equity Shares will trade in the future, which may adversely impact on the ability of our shareholders to sell the Equity Shares or the price at which shareholders may be able to sell their Equity Shares at that point of time.

- 43. *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 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 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 a 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 Equity Shares, your proportional interest in us would be reduced.

- 44. *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 Indian Rupees on the Stock Exchange. Any dividends in respect of our Equity Shares will also be paid in Indian 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 a conversion may reduce the net dividend for 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.

- 45. *We may not be able to detect money laundering and other illegal or improper activities fully or on a timely***

basis, which could expose us to additional liability.

We are required to comply with applicable anti-money laundering (“AML”) and anti-terrorism laws and other regulations in India. In the ordinary course of our operations, we run the risk of failing to comply with the prescribed KYC procedures and the consequent risk of fraud and money laundering by dishonest customers and assessment of penalties or imposition of sanctions against us for such compliance failures despite having implemented systems and controls designed to prevent the occurrence of these risks. Although we believe that we have adequate internal policies, processes, and controls in place to prevent and detect any AML activity and ensure KYC compliance, there can be no assurance that we will be able to fully control instances of any potential or attempted violation by other parties and may accordingly be subject to regulatory actions including the imposition of fines and other penalties by the RBI and other relevant governmental authorities to whom we report. If any party uses or attempts to use us for money laundering or any other illegal or improper purposes and such attempts are not detected or reported to the appropriate authorities in compliance with applicable legal requirements, our reputation could suffer and could result in a material adverse effect on our business, financial condition and results of operations.

46. Any future issuance of the Equity Shares or convertible securities by our Company may dilute your future shareholding, and sales of the Equity Shares by our Promoters or other major shareholders of our Company may adversely affect the trading price of the Equity Shares.

Any future issuance of Equity Shares, or convertible securities by our Company, including through the exercise of employee stock options or restricted stock units may lead to the dilution of 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. Further, any future sales of the Equity Shares by the Promoters and members of our Promoter Group, or other major shareholders of our Company, may adversely affect the trading price of the Equity Shares.

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

In terms of the SEBI ICDR Regulations, the 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 like 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 Issue Shares, would not arise between the Issue Closing Date and the date of Allotment in this Issue. The 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 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 Issue Shares at a price that will be higher than the actual market price of the Equity Shares at that time. Should that occur, the shareholders 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.

48. Investors will be subject to market risks until the Rights Issue Shares credited to their demat accounts are listed and permitted to trade.

Investors can start trading the Rights Issue Shares allotted to them only after they are listed and permitted to trade. Since the Equity Shares are currently traded on the Stock Exchange, investors will be subject to market risk from the date they pay for the Rights Issue Shares to the date when trading approval is granted for them. Further, we cannot assure you that the Rights Issue Shares allocated to an Investor will be credited to the Investor’s demat account or that trading in the Equity Shares will commence in a timely manner.

49. *Your ability to acquire and sell the Issue Shares offered in the Issue is restricted by the distribution, solicitation, and transfer restrictions set forth in this Letter of Offer.*

No actions have been taken to permit an offering of the Issue Shares in the Issue in any jurisdiction except India. As such, our Issue Shares have not and will not be registered under the U.S. Securities Act, any state securities laws, or the law of any jurisdiction other than India. Further, your ability to acquire Issue Shares is restricted by the distribution and solicitation restrictions set forth in this Letter of Offer. For further information, please refer to the chapters entitled 'Notice to Investors', 'Other Regulatory and Statutory Disclosures', and 'Restrictions on Foreign Ownership of Indian Securities' on pages 11, 63, and 97, respectively of this Letter of Offer. You are required to inform yourself about and observe these restrictions. Our representatives, our agents, and we will not be obligated to recognize any acquisition, transfer, or resale of the Issue Shares made other than in compliance with applicable law.

50. *Conditions in the Indian securities market may affect the price or liquidity of our Equity Shares.*

The Indian securities markets are smaller and more volatile than securities markets in more developed economies. The Indian stock exchanges have, in the past, experienced substantial fluctuations in the prices of listed securities. Prices of listed securities are subject to volatility linked among other factors to the uncertainty in the global markets and the rising inflationary and interest rate pressures domestically. The governing bodies of the Indian stock exchanges have, from time to time, imposed restrictions on trading in certain securities, limitations on price movements, and margin requirements. Future fluctuations or trading restrictions could have a material adverse effect on the price of our Equity Shares.

51. *The Issue Price of our Rights Equity Shares may not be indicative of the market price of our Equity Shares after the Issue.*

The Issue Price of Rights Equity Share may not be indicative of the market price for our Equity Shares after the Issue. The market price of the Equity Shares could be subject to significant fluctuations after the Issue and may decline below the Issue Price. There can be no assurance that the Investors will be able to sell their Equity Shares at or above the Issue Price. The factors that could affect our share price are:

- a) quarterly variations in the rate of growth of our financial indicators such as earnings per share;
- b) changes in revenue or earnings estimates or publication of research reports by analysts;
- c) speculation in the press or investment community;
- d) general market conditions; and,
- e) domestic and international economic, legal, and regulatory factors unrelated to our performance.

EXTERNAL RISKS

52. *Political instability, economic or changes in the government or government policies could impact the liberalization of an Indian economy.*

The Indian economy is influenced by economic developments in other countries. These factors could depress economic activity, which could have an adverse effect on our business, financial condition, and results of operations. Any financial disruption could have an adverse effect on our business and future financial performance.

We are dependent on domestic, regional, and global economic and market conditions. Our performance, growth, and market price of our Equity Shares are and will be dependent to a large extent on the health of the economy in which we operate. There have been periods of slowdown in the economic growth of India. Demand for our products may be adversely affected by an economic downturn in domestic, regional, and global economies.

The economy could be adversely affected by various factors such as political or regulatory action, including adverse changes in liberalization policies, social disturbances, terrorist attacks and other acts of violence or war, natural calamities, interest rates, commodity and energy prices, and various other factors. The rate of economic liberalization could change, and specific laws and policies affecting foreign investment, currency exchange rates, and other matters affecting investment in India could change as well.

As a result, our business and the market price and liquidity of the Equity Shares may be affected by such economic and/or political changes. While the current government is expected to continue the liberalization of India's economic and financial sectors and deregulation policies, there can be no absolute assurance that such policies will continue. A significant change in India's economic liberalization and deregulation policies could disrupt business and economic conditions in India generally and specifically have an adverse effect on the operations of our Company.

53. *Changing laws, rules and regulations, and legal uncertainties, including adverse application of tax laws and regulations, may adversely affect our business and financial performance.*

Our business and financial performance could be adversely affected by unfavorable changes in or interpretation of existing, or the promulgation of new laws, rules, and regulations applicable to us and our business. There can be no assurance that the Government of India may not implement new regulations and policies which will require us to obtain approvals and licenses from the Government of India and other regulatory bodies or impose onerous requirements and conditions on our operations. Any such changes and the related uncertainties with respect to the applicability, interpretation, and implementation of any amendment to, or change to governing laws, regulation, or policy in the jurisdictions in which we operate may have a material adverse effect on our business, financial condition and results of operations. In addition, we may have to incur expenditures to comply with the requirements of any new regulation which may also materially harm our results of operations. Any unfavorable changes to the laws and regulations applicable to us could also subject us to additional liabilities.

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.

The application of various Indian tax laws, rules, and regulations to our business, currently or in the future, is subject to interpretation by the applicable taxation authorities. If such tax laws, rules, and regulations are amended, new adverse laws, rules, or regulations are adopted or current laws are interpreted adversely to our interests, the results could increase our tax payments (prospectively or retrospectively) and/or subject us to penalties. Further, changes in capital gains tax or tax on capital market transactions or sale of shares could affect investor returns. As a result, any such changes or interpretations could have an adverse effect on our business and financial performance.

54. *Financial Instability, economic developments, and volatility in securities markets in other countries may also cause the price of Equity shares to decline.*

The Indian economy and its securities markets are influenced by economic developments and volatility in securities markets in other countries. Investors' reactions to developments in one country may have an adverse effect on the market price of securities of companies located in other countries, including India. Negative economic developments, such as rising fiscals or trade deficits, or default on national trade, in other emerging market countries may also affect investor confidence and cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general. Currently, the Russia-Ukraine conflict has resulted in a significant increase in a global oil price which could have a significant impact on inflation and cost of production. Additionally, essential raw material prices for the manufacture of various products could be affected globally due to the aforementioned European crisis which could have a cascading effect on the Indian economy and the trading price of our equity shares.

A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy, including the movement of exchange rates and interest rates in India. Any financial disruption could have an adverse effect on our business, future financial performance, shareholders' equity and the price of the Equity Shares.

- 55. *Any downgrading of India's debt rating by an independent domestic or international rating agency could negatively impact our business and the price of our Equity Shares.***

Any adverse revisions to India's credit ratings for domestic and international debt by domestic or 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, including raising any overseas additional financing. A downgrading of India's credit ratings may occur, for example, upon a change of government tax or fiscal policy, which is outside our control. This could have an adverse effect on our ability to fund our growth on favorable terms or at all, and consequently adversely affect our financial results and business prospects, ability to obtain financing for capital expenditures, and the price of our Equity Shares.

- 56. *The occurrence of natural or man-made disasters could adversely affect our results of operations, cash flows, and financial condition. Hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect the financial markets and our business.***

The occurrence of natural disasters, including cyclones, storms, floods, earthquakes, tsunamis, tornadoes, fires, explosions, pandemic disease, and man-made disasters, including acts of terrorism and military actions including wars amongst nations like the current Russia-Ukraine conflict could adversely affect our results of operations, cash flows or financial condition. In addition, any deterioration in international relations, especially between India and its neighboring countries, may result in investor concern regarding regional stability which could adversely affect the price of the Equity Shares. In addition, India has witnessed local civil disturbances in recent years, and it is possible that future civil unrest as well as other adverse social, economic, or political events in India could have an adverse effect on our business. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the market price of the Equity Shares.

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

Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares that are sought to be transferred is not in compliance with such pricing guidelines or reporting requirements or falls under any of the exceptions referred to above, then 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.

- 58. *A slowdown in economic growth in India could cause business to suffer.***

We are incorporated in India, and all of 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:

- any increase in Indian interest rates or inflation;
- any scarcity of credit or other financing in India;
- prevailing income conditions among Indian consumers and Indian corporations;
- changes in India's tax, trade, fiscal, or monetary policies;
- political instability, terrorism, or military conflict in India or in countries in the region or globally, including in India's various neighboring countries;
- prevailing regional or global economic conditions; and
- 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.

59. *We are exposed to risks associated with fluctuation in metal prices or shortages in the supply of electric components.*

Our business is exposed to risks related to fluctuations in the prices of metals and electronic components, which are essential for the manufacture of our products, including Test and Measurement equipment, Power Conversion systems, UPS units, and Retail Automation solutions. Shortages or price volatility in key raw materials or electronic components could negatively impact our production, costs, and profitability. Additionally, changes in macroeconomic conditions, government policies, and global supply chain dynamics may affect the availability and pricing of these materials, potentially disrupting our operations.

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SECTION III - INTRODUCTION

THE ISSUE

This Issue has been authorized by a resolution of our Board passed at its meeting held on June 27, 2025, pursuant to Section 62(1)(a) of the Companies Act, 2013 and other applicable laws. The terms and conditions of the Issue including the Issue price, Record Date, Rights Entitlement Ratio, and other related matters have been approved by the Rights Issue Committee of the Board of Directors at their meeting held on Friday, July 4, 2025.

The following is a summary of the Issue. This summary should be read in conjunction with and is qualified in its entirety by, more detailed information in “Terms of the Issue” beginning on page 67.

Rights Equity Shares being offered by our Company	Up to 1,02,56,651 Partly Paid Equity Shares
Rights Entitlement for the Rights Equity Shares	2 (Two) Rights Equity Shares for every 7 (Seven) fully paid-up Equity Shares held as on the Record Date.
Record Date	Thursday, July 10, 2025
Issue Price per Rights Equity Share	Rs. 20/- (Rupees Twenty Only) (including a premium of Rs.10/- per Rights Equity Share) <i>On Application, Investors will have to pay Rs. 10/- per Rights Equity Share, which constitutes 50% of the Issue Price and the balance Rs. 10/- per Rights Equity Share which constitutes 50% of the Issue Price, will have to be paid, on one or more subsequent Call(s), as determined by our Board/ Committee at its sole discretion, from time to time.</i>
Face Value per Rights Equity Share	Rs. 10/- (Rupee Ten Only)
Issue Size	Up to Rs. 2,051.33 Lakh (Assuming Full Subscription)
Equity Shares outstanding prior to the Issue	3,58,98,280 Equity Shares
Equity Shares outstanding after the Issue (assuming full subscription for and Allotment of the Rights Equity Shares) and having made fully paid-up	4,61,54,931 Equity Shares
Security Codes for our Equity Shares, Rights Equity Shares, and Rights Entitlements#	ISIN: INE237C01016 Scrip Code: 531126 ISIN for Rights Entitlement: [●]
Terms of the Issue	See “Terms of the Issue” on page 67
Use of Issue Proceeds	See “Objects of the Issue” on page 49

For details in relation to fractional entitlements, see “Terms of the Issue – Basis for the Issue and Terms of the Issue – Fractional Entitlements” on page 67.

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:

Event	Day and Date
Issue Opening Date	Thursday, July 17, 2025
Last Date for On-Market Renunciation of Rights**	Tuesday, July 22, 2025
Issue Closing Date*	Friday, July 25, 2025

*The Board of Directors 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 the Issue will not remain open in excess of 30 (thirty) days from the Issue

Opening Date.

*** 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.*

Terms of Payment

Payment Schedule is as follows:

Amount payable per Rights Equity Share (1)	Face Value (₹)	Premium (₹)	Total (₹)
On Application	5.00	5.00	10.00(2)
One or more subsequent Call(s) as determined by our Board / Rights Issue Committee at its sole discretion, from time to time	5.00	5.00	10.00(3)
Total	10.00	10.00	20.00

(1) For further details on Payment Schedule, see "Terms of the Issue" on page 67.

(2) Constitutes 50% of the Issue Price

(3) Constitutes 50% of the Issue Price

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GENERAL INFORMATION

Our Company was originally incorporated as a private limited company under the Companies Act, 1956 in the name and style of “Suri Capital & Leasing Private Limited” vide Certificate of Incorporation dated March 10, 1992, issued by the Registrar of Companies, National Capital Territory of Delhi and Haryana. Further, the name of our Company was changed to “Virtualsoft Systems Limited” on February 06, 2001, and further to “Kati Patang Lifestyle Limited” on December 24, 2024.

Registered Office:

Kati Patang Lifestyle Limited

(Formerly known as Virtualsoft Systems Limited)

Registered Office: S-101, Panchsheel Park, New Delhi-110017, India

Telephone: +91-11-42701491;

E-mail : cs@iamkatipatang.com;

Website: www.katipatang.com

CIN : L72200DL1992PLC047931

Details of change in registered office of the Company

The Company has changed its registered office from A-246, Shivalik, Malviya Nagar, New Delhi-110017 to S-101, Panchsheel Park, New Delhi-110017. The registered office of the Company has been shifted vide Board/Shareholders approval dated May 01, 2002.

Company Secretary and Compliance Officer:

Mr. Sanjeev Kumar Jha

504, Savitri Cinema Complex,

5th Floor Greater Kailash-II,

New Delhi – 110048, India

Telephone: +91-9868022278;

E-mail : cs@iamkatipatang.com

Statutory Auditor

M/s Rajesh Raj Gupta & Associates LLP

412A, Chiranjiv Tower, Nehru Place, New Delhi-1100019

Tel: +91-11-49424708

E-mail: info@rrga.in

Firm Registration Number: 026338N/N500357

Peer Review Registration Number: 015665

Registrar to the Issue and the Company

For the purpose of the proposed Rights Issue, the Company has appointed the following as the Registrar to the Issue:

MAS Services Limited

Address - T-34, 2nd Floor, Okhla Industrial Area,

Phase – II, New Delhi-110 020

Tel: +91 11 2638 7281/82/83, +91 11 4132 0335

E-mail: ipo@masserv.com

Investor Grievance ID: investor@masserv.com

Contact Person: Mr. Sharwan Mangla
Website: www.masserv.com
SEBI Registration No: INR000000049

Advisors to the Company

Corporate Professionals (India) Private Limited

D-28, South Extension Part-I
South Delhi, New Delhi 110049
Tel: +91 11 4062 2230/200
E-mail: anjali@indiacp.com
Contact Person: Ms. Anjali Aggarwal

Investor Grievances

Investors may contact the Registrar to the Issue 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 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 Equity Shares applied for, amount blocked (in case of ASBA process), 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 acknowledgment slip (in case of ASBA process), and copy of the e-acknowledgment (in case of the normal process). For details on the ASBA process see “*Terms of the Issue*” on page 67 of this Letter of Offer.

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 www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 and updated from time to time. For a list of branches of the SCSBs named by the respective SCSBs to receive the Application Form, please refer to the above-mentioned link.

Registrar and Share Transfer Agents

The list of the RTAs eligible to accept ASBA Forms from Bidders (other than UPI Bidders) at the Designated RTA Locations, including details such as address, telephone number and e-mail address, is provided on the websites of Stock Exchanges at <http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?> and http://www.nseindia.com/products/content/equities/ipo/asba_procedures.htm, respectively, as updated from time to time.

Collecting Depository Participants (CDP)

The list of the CDPs eligible to accept ASBA Forms from Bidders (other than UPI Bidders) at the Designated CDP Locations, including details such as name and contact details, is provided on the websites of BSE at <http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?>

Bankers to the Issue

Axis Bank Limited
K-1998, Chittaranjan Park, New Delhi-110019
Tel: +91-9650530091
E-mail: sourabh19.kumar@axisbank.com
Website: www.axisbank.com

Contact Person: Mr. Saurabh Kumar

Credit Rating

This being a Rights Issue of Equity Shares, no credit rating is required.

Debenture Trustee

As this Issue is of Equity Shares, the appointment of a debenture trustee is not required.

Monitoring Agency

Our Company has appointed Acuite Ratings & Research Limited to monitor the utilization of the Gross Proceeds in terms of Regulation 82 of the SEBI ICDR Regulations. Details of Monitoring Agency are as following:

Acuite Ratings & Research Limited

708, Lodha Supremus, Lodh iThink Techno Campus, Kanjurmarg (East), Mumbai-Maharashtra-400042

Tel: +91-9969898000; E-mail: chitra.mohan@acuite.in

Website: www.acuite.in

Contact Person: Mr. Chitra Mohan

Filing

This Letter of Offer has been filed with stock exchanges for their approval. On receipt of the in-principle approval from BSE, the final Letter of Offer is being filed with the Stock Exchange and will be submitted to SEBI for information and dissemination purposes as per the provisions of the SEBI ICDR Regulations.

Appraising Agency

None of the purposes for which the Net Proceeds are proposed to be utilized have been appraised by any bank or financial institution.

Underwriting

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

Minimum Subscription

The object of the Issue involves (1) Investment in our subsidiary, Emphyrean Spirits Private Limited (“ESPL”), for funding its Working capital requirements; and (2) Funding of unidentified acquisitions and investment along with General Corporate Purposes. Further, our Promoters have confirmed that they will (i) subscribe to the full extent of their Rights Entitlements in the Issue or may renounce their Rights Entitlements in favour of the Promoter Group or specific investor(s) or for the purpose of complying with minimum public shareholding norms prescribed under the SCRR, and (ii) subscribe to the Rights Entitlements which may be renounced in their favour by any other member of the Promoter Group, except to the extent of renunciation by the Promoters for the purpose of complying with minimum public shareholding norms prescribed under the SCRR. Further, our Promoters confirmed that during the Issue Period, they intend to (i) apply for and subscribe to additional Equity Shares, and (ii) subscribe to Equity Shares, if any, which remain unsubscribed in the Issue. Further, the unsubscribed portion of the issue may also be allotted to any specific investor(s) recognised by the Company. Our Promoter Group, to the extent that they hold Equity Shares in the Company, have confirmed to either (i) subscribe to the full extent of their respective Rights Entitlements in the Issue, or (ii) renounce, any or all, of their Rights Entitlements in the Issue in favour of our Promoters or specific investor(s). Accordingly, in terms of the proviso to Regulation 86(1) of the SEBI ICDR Regulations, the requirement of minimum

subscription is not applicable to the Issue.

The acquisition of Rights Equity Shares by our Promoters and other members of our Promoter Group in this Issue shall be eligible for exemption from open offer requirements in terms of Regulation 10(4)(a) and 10(4)(b) of the SEBI Takeover Regulations, and the Issue shall not result in a change of control of the management of our Company in accordance with provisions of the SEBI Takeover 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. Any participation by our Promoters and Promoter Group, over and above their Rights Entitlements, shall not result in a breach of the minimum public shareholding requirements prescribed under applicable law.

Issue Schedule

Last Date for credit of Rights Entitlements	Friday, July 11, 2025
Issue Opening Date	Thursday, July 17, 2025
Last date for On Market Renunciation of Rights Entitlements [#]	Tuesday, July 22, 2025
Issue Closing Date*	Friday, July 25, 2025
Finalization of Basis of Allotment (on or about)	Monday, July 28, 2025
Date of Allotment (on or about)	Monday, July 28, 2025
Date of credit of Rights Equity Shares (on or about)	Tuesday, July 29, 2025
Date of listing (on or about)	Tuesday, July 29, 2025

[#] *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 Renounees on or prior to the Issue Closing Date.*

* *Our Board or the Rights Issue 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). 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 two clear 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 at www.masserv.com. Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts.

Investors are advised to ensure that the Application Forms 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 Application Forms on or before the Issue Closing Date. Further, it is also encouraged that the applications are submitted well in advance before Issue Closing Date. For details on submitting Application Forms, see “*Terms of the Issue – Process of making an Application in the Issue*” on page 69. 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 at www.masserv.com after keying in their respective details along with other security control measures implemented thereat. For further details, see “*Terms of the Issue – Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders*” on page 82.

Please note that if no Application is made by the Eligible Equity Shareholders of Rights Entitlements on or before the Issue Closing Date, such Rights Entitlements shall lapse and shall be extinguished after the Issue Closing Date. No Rights Equity Shares for such lapsed Rights Entitlements will be credited, even if such Rights Entitlements were

purchased from market and the purchaser will lose the premium paid to acquire the Rights Entitlements. Persons who are credited the Rights Entitlements are required to make an application to apply for Rights Equity Shares offered under the Issue for subscribing to the Rights Equity Shares offered under the Issue.

CAPITAL STRUCTURE

The Share capital of our Company as on the date of this Letter of Offer is as provided below:

(Amount in Rs. In Lakh)			
S. No.	Particulars	Aggregate value at face value	Aggregate value at Issue Price
1.	AUTHORISED SHARE CAPITAL		
	5,00,00,000 Equity Shares of Rs. 10/- each	5,000.00	-
2.	ISSUED, SUBSCRIBED & PAID-UP SHARE CAPITAL BEFORE THIS ISSUE		
	3,58,98,280 Equity Shares of Rs. 10/- each	3,589.83	-
3.	PRESENT ISSUE IN TERMS OF THIS LETTER OF OFFER ⁽¹⁾		
	Up to 1,02,56,651 Rights Equity Shares, each at a premium of Rs. 20/- per Rights Equity Share, i.e., at a price of Rs. 10/- per Rights Equity Share.	1,025.67	2,051.33
4.	ISSUED, SUBSCRIBED, AND PAID-UP SHARE CAPITAL AFTER THIS ISSUE ⁽²⁾		
	4,61,54,931 fully paid-up Equity Shares of Rs. 10/- each	4,615.49	N.A.
SECURITIES PREMIUM ACCOUNT			
	Before this Issue		Nil
	After the one or more Subsequent Call(s) made in respect of Rights Shares		1,025.67 ⁽²⁾

Notes:

1. This Issue has been authorized by a resolution of our Board passed at its meeting held on June 27, 2025. The terms of the rights issue including the Rights Entitlement, Issue Price, etc. have been approved by the Rights Issue Committee of the Board of Directors of our Company in its meeting held on Friday, July 4, 2025.
2. Assuming full subscription for and Allotment of the Rights Equity Shares.
3. Subject to finalization of Basis of Allotment, Allotment, and deduction of Issue expenses.
4. The above figures are rounded off to two decimal places.

NOTES TO CAPITAL STRUCTURE

1. **Shareholding pattern of our Company as per the last filing with the Stock Exchanges in compliance with the provisions of the SEBI LODR Regulations:**
 - a) The shareholding pattern of our Company as on March 31, 2025, can be accessed on the website of BSE at <https://www.bseindia.com/stock-share-price/kati-patang-lifestyle-ltd/katipatang/531126/shareholding-pattern/> ;
 - b) The statement showing holding of Equity Shares of persons belonging to the category “Promoters and Promoter Group” including the details of lock-in, pledge of and encumbrance thereon, as on March 31, 2025, can be accessed on the website of BSE at [https://www.bseindia.com/corporates/shpPromoterNGroup.aspx?scripcd=531126&qtrid=125.00&QtrName=March%202025](https://www.bseindia.com/corporates/shpPromoterNGroup.aspx?scripcd=531126&qtrid=125.00&QtrName=March%202025;);
2. Except as mentioned below no Equity Shares or convertible securities have been acquired by our Promoters or members of our Promoter Group in the last one year immediately preceding the date of filing of this Letter of Offer.

Name of the Promoter/Promoter Group	Date of the Transaction	Number securities acquired	Type of Security	Acquisition Price (in Rs.)	Nature of Transaction
Gokul Naresh Tandan	August 28, 2024	43,31,320	Equity	10	Acquisition of subsidiary ESPL
Prabhudev Kulkarni	August 28, 2024	67,070	Equity	10	Acquisition of subsidiary ESPL
Samrath Bedi	August 28, 2024	37,76,450	Equity	10	Acquisition of subsidiary ESPL
Sagarika Tandan	August 28, 2024	1,01,000	Equity	10	Acquisition of subsidiary ESPL
Ritu Tandan	August 28, 2024	16,830	Equity	10	Acquisition of subsidiary ESPL
Gokul Naresh Tandan	August 28, 2024	9,50,000	Equity	10	Preferential for Cash
Samrath Bedi	August 28, 2024	7,50,000	Equity	10	Preferential for Cash
Gokul Naresh Tandan	August 28, 2024	9,50,000	Warrant	10	Preferential for Cash
Samrath Bedi	August 28, 2024	7,50,000	Warrant	10	Preferential for Cash
Rajendra V Kulkarni	August 28, 2024	1,30,000	Warrant	10	Preferential for Cash
Gokul Naresh Tandan	March 28, 2025	3,00,000	Equity	10	Conversion of warrant

3. Except as mentioned below there are no outstanding options or convertible securities, including any outstanding warrants or rights to convert debentures, loans or other instruments convertible into our Equity Shares as on the date of this Letter of Offer:

Name	Group	Date of acquisition	No. of Securities	Type
Gokul Naresh Tandan	Promoter	August 28, 2024	6,50,000	Warrant
Samrath Bedi	Promoter Group	August 28, 2024	7,50,000	Warrant
Rajendra V Kulkarni	Promoter Group	August 28, 2024	1,30,000	Warrant

4. The ex-rights price of the Equity Shares as per regulation 10(4)(b) of the SEBI Takeover Regulations is ₹ 24.44/.
5. Our Company shall ensure that any transaction in the specified securities by our Promoters and members of our Promoter Group during the period between the date of filing this Letter of Offer and the date of closure of the Issue shall be reported to the Stock Exchanges within 24 hours of such transaction.
6. At any given time, there shall be only one denomination of the Equity Shares of our Company.
7. All Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of this Letter of Offer. Further, the Rights Equity Shares allotted pursuant to the Issue, shall be partly paid-up. For further details on the terms of the Issue, please see “*Terms of the Issue*” on page 67.
8. Our Company has not issued any Equity Shares for consideration other than cash in the one year preceding the date of filing of this Letter of Offer.

9. **Details of the Equity Shareholders holding more than 1% of the issued and paid-up Share Capital**

The table below sets forth details of Equity Shareholders holding more than 1% of the issued and paid-up share capital of our Company, as of March 31, 2025:

Sr. No	Name of the Equity Shareholders	Number of Equity Shares held	Percentage of Equity Shares held (%)
1.	Gokul Naresh Tandan	84,48,045	23.67
2.	Rajendra V Kulkarni	4,50,000	1.31
3.	Samrath Bedi	45,26,450	13.15
4.	Virtual Software And Training Pvt Ltd	37,50,000	10.89
5.	Kirti Handa	5,85,230	1.63
6.	Gurmeet Singh Anand	4,84,170	1.35
7.	Abhishek Singhanian	5,84,170	1.63
8.	Monisha Prakash	6,79,460	1.89
9.	Amitoj Arya	15,20,050	4.23
10.	Abhishek Dalmia	5,70,960	1.59
11.	Lata Upadhyay	12,75,000	3.55
12.	Shantanu Upadhyay	38,36,590	10.69
13.	ALT- Attitude Advisory LLP	18,35,000	5.11

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OBJECTS OF THE ISSUE

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

1. Investment in our Subsidiary, Emphyrean Spirits Private Limited (“ESPL”), for funding its Working capital requirements; and
2. Funding of unidentified acquisitions and investment along with General Corporate Purposes.

(collectively referred to herein as the “Objects”)

The main objects and objects incidental or ancillary to the main objects as stated in the Memorandum of Association enable our Company to undertake our existing business activities, including the activities proposed to be funded from the Net Proceeds.

Net Proceeds

The details of the Net Proceeds are summarised in the table below:

(in ₹ lakhs)

Particulars	Estimated Amount
Issue Proceeds*	2,051.33
Less: Estimated Issue related expenses**	40.00
Net Proceeds	2,011.33

* Assuming full subscription and Allotment of the Rights Equity Shares.

** Please see “Estimated Issue Expenses” on page 54 of this LOF.

Utilization of the Net Proceeds

Our Company proposes to utilise the Net Proceeds in accordance with the details set out below:

(in ₹ lakhs)

Particulars	Amount*
Investment in our Subsidiary, ESPL for funding its working capital requirements	1,310.00
Funding of unidentified acquisitions and investment along with General Corporate Purposes**	701.33
Net Proceeds	2,011.33

* Assuming full subscription and Allotment of the Rights Equity Shares and subject to adjustment upon finalization of Issue related expenses and finalization of the Basis of Allotment.

**The amount utilised for funding of unidentified acquisition and general corporate purposes shall not individually exceed 25% of the Gross Proceeds and will not collectively exceed 35% of the Gross Proceeds.

Proposed Schedule of Implementation and Deployment of Net Proceeds

The following table sets forth the details of the schedule of the expected deployment of the Net Proceeds:

(in ₹ lakhs)

Particulars	Amount to be funded from the Net Proceeds	Estimated deployment in Fiscal 2026
Investment in our Subsidiary, ESPL, for funding its working capital requirements	1,310.00	1,310.00
Funding of unidentified acquisitions and investment along with General Corporate Purposes**	701.33	701.33
Net Proceeds*	2,011.33	2,011.33

* Assuming full subscription and Allotment of the Rights Equity Shares and subject to adjustment upon finalization of Issue related expenses and finalization of the Basis of Allotment.

**The amount utilised for funding of unidentified acquisition and general corporate purposes shall not individually

exceed 25% of the Gross Proceeds and will not collectively exceed 35% of the Gross Proceeds.

Our Company proposes to deploy the entire Net Proceeds towards the Objects during Fiscals 2026. However, if the Net Proceeds are not completely utilised for the Objects in the respective Fiscals due to various factors beyond our control, such as market conditions, economic and business considerations, business and other commercial considerations, etc., the remaining Net Proceeds would be utilised (in part or full) in subsequent Fiscals, subject to applicable law. Further, if additional funds are required for fulfilling the Objects, such requirement shall be met through internal accruals, additional capital infusion, debt arrangements or any combination of these methods, subject to compliance with applicable law.

We may have to revise our funding requirements and deployment on account of a variety of factors, including such as our financial condition, business strategy and certain external factors such as market conditions, competitive environment, interest rate fluctuations and other similar factors which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure, implementation schedule and funding requirements, at the discretion of our management, subject to compliance with the applicable laws.

For further information on factors that may affect our internal management estimates, please see “**Risk Factor 10 – “Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates and have not been independently appraised and may be subject to change based on various factors, some of which are beyond our control.”**” on page 25 of this LOF.

Subject to applicable laws, if the actual utilisation towards any of the Objects is lower than the proposed deployment, such balance will be used for general corporate purposes to the extent that the total amount to be utilized towards general corporate purposes will not exceed 25% of the gross proceeds from the Issue in accordance with SEBI ICDR Regulations.

In the event, the Net Proceeds are not utilized (in full or in part) for the objects of the Offer during the period stated above due to factors such as (i) the timing of completion of the Issue; (ii) market conditions outside the control of our Company; and (iii) any other economic, business and commercial considerations, the remaining Net Proceeds shall be utilized in subsequent periods as may be determined by our Company, in accordance with applicable laws.

Means of Finance

As per Regulation 62(1)(c) of the SEBI ICDR Regulations, firm arrangements of finance through verifiable means towards 75% of the stated means of finance, excluding the amount to be raised from the Issue or through existing identifiable internal accruals, are only required in case of capital expenditure, which is not contemplated in the present Issue. Therefore, our Company is not required to make such firm arrangements of finance through verifiable means.

DETAILS OF THE OBJECTS OF THIS ISSUE

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

1. Investment in our subsidiary, Empyrean Spirits Private Limited, for funding its working capital requirements.

A. Details pertaining investment in subsidiary.

Brief of Empyrean Spirits Private Limited (“ESPL”)

Empyrean Spirits Private Limited, a Private limited company incorporated under the Companies Act, 2013 (CIN: U15549DL2017PTC313380) and having its registered office at 504, Savitri Cinema complex, 5th Floor, Greater Kailash-2, New Delhi-110048.

It is classified as Non-government company and is registered at Registrar of Companies, Delhi. Its authorized share capital is Rs. 200 Lakh and its paid up capital is Rs. 194.03 Lakh.

Brief description of our business:

ESPL deals mainly in craft beer & other alcoholic beverages & other lifestyle products. It operates under the brand name “Kati Patang” wherein it manufactures beers with different Indian flavors. As on date it does not have any of its own manufacturing facilities and gets its manufacturing done through contact manufacturing.

Details of Requirement of Funds and deployment

ESPL, our Subsidiary, funds a majority of its working capital requirements in the ordinary course of business through an infusion of funds from our Company. We propose to utilize ₹1,310 Lakhs from the Net Proceeds of this Issue, towards the Working Capital requirements of our Subsidiary.

(a) Existing working capital:

The details of ESPL’s working capital as of March 31, 2025, March 31, 2024, and March 31, 2023, on a standalone basis (and based on the audited standalone financial statements of ESPL for Fiscals 2025, 2024 and 2023), and sources of funding are provided in the table below:

(in ₹ lakhs)

Particulars	As at March 31, 2023	As at March 31, 2024	As at March 31, 2025
(A) Current assets			
(a) Inventories	15.25	32.33	69.92
(b) Financial assets			
i. Trade receivables	52.39	296.56	493.47
ii. Other financial assets	279.94	17.09	20.44
(c) Current tax assets			
(d) Other current assets	4.38	3.99	85.50
Total current assets (A)	351.96	349.97	669.33
(B) Current liabilities			
(a) Financial liabilities			
i. Borrowings	-	-	24.03
ii. Lease liabilities			
iii. Trade payables			
- Total outstanding dues to micro and small enterprises	-	-	0.45
- Total outstanding dues to parties other than micro and small enterprises	24.11	12.63	24.37
iv. Other financial liabilities	24.08	67.85	61.42
(b) Other current liabilities	35.56	89.70	57.30
(c) Provisions	-	-	1.23
Total current liabilities (B)	83.75	170.18	168.80
(C) Net working capital requirements (C = A-B)	268.21	179.79	500.53
(D) Source of Funds			
Internal Accruals and Borrowings	268.21	179.79	500.53

(b) Estimated working capital requirements:

We propose to utilize ₹ 1,310 Lakhs from the Net Proceeds towards the working capital requirements of ESPL, over Fiscals 2026. The balance portion of working capital requirement shall be met through internal accruals and borrowings.

On the basis of ESPL's existing working capital requirements and management estimates, the details of the expected working capital requirements for Fiscals 2026 are set out below:

(in ₹ lakhs)

Particulars	As at March 31, 2026
(A) Current assets	
(a) Inventories	79.92
(b) Financial assets	
i. Trade receivables	1291.86
ii. Other financial assets	22.18
(c) Current tax assets	-
(d) Other current assets	-
Total current assets (A)	1383.97
(B) Current liabilities	
(a) Financial liabilities	
i. Borrowings	24.02
ii. Lease liabilities	
iii. Trade payables	
- Total outstanding dues to micro and small enterprises	-
- Total outstanding dues to parties other than micro and small enterprises	51.49
iv. Other financial liabilities	-
(b) Other current liabilities	-
(c) Provisions	1.22
Total current liabilities (B)	76.74
(C) Net working capital requirements (C = A-B)	1317.23
(D) Source of Funds	
Internal accruals	7.23
Amount proposed to be utilized from the Net Proceeds	1310.00

Details of Basis of Estimation for holding period levels are as following:

(in days)

Particulars	As at March 31, 2023	As at March 31, 2024	As at March 31, 2025	As at March 31, 2026
	Audited	Audited	Audited	Estimated
No. of Days for Trade Payables	85	13	14	15
No. of Days for Trade Receivables	119	192	108	115

Justification for holding period levels.

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

Particulars	Justification
Inventories	Inventories for Fiscal 2026 are expected to increase by 14.30%, primarily due to our contract manufacturing model. We intend to place manufacturing orders with our contract manufacturers in a phased and demand-linked manner to support the anticipated growth in sales volume. This operational approach enables us to maintain minimal inventory on hand, thereby optimizing working capital. As a result, despite potential increases in sales in subsequent years, inventory levels are not expected to rise proportionately.
Trade Payables	For Fiscal 2026, trade payables are projected at 15 days, broadly in line with the holding levels of 13 days in FY 2024 and 14 days in FY 2025. This reflects a stabilized payment cycle following the company's transition to shorter credit

	periods with suppliers. The projection suggests continuity in vendor payment terms and indicates that the company does not anticipate any material change in its procurement or payment practices. The consistent holding level also aligns with the company's operational model and supports uninterrupted production schedules under its contract manufacturing arrangement.
Trade receivables	For Fiscal 2026, our trade receivables are estimated at 115 days, which is only marginally higher than 108 days recorded in Fiscal 2025. The slight increase is primarily due to the significant excise duty payable on our sales value, which directly impacts the receivable levels. In line with our sales projections, we have accordingly estimated and calculated our trade receivables. We expect our receivable cycle to remain largely stable, and do not foresee any material change in our credit terms or collection practices. The projected holding level reflects a normalized and consistent working capital cycle going forward.

Details of the form of investment in respect above mentioned Object.

The Company has planned to infuse funds of upto Rs. 1,310 Lakh into ESPL in the following manner.

Type of Investment	Amount in Rs Lakhs*
Equity Shares	1310.00
Total	1310.00

The Board of Directors of Kati Patang Lifestyle Limited may amend the above manner/instruments of investments in ESPL in the form of Equity Shares/ Preference Shares subscription, Debenture, Loans or a combination of all, as may be decided, in accordance with the requirements of applicable laws and regulations.

2. Funding of unidentified acquisitions and investment along with General Corporate Purposes.

- (a) We intend to allocate a portion of the Net Proceeds towards pursuing strategic acquisitions, investments, and partnerships both within India and internationally. These initiatives will focus on acquiring full or partial stakes in alcoholic-beverage brands, established alcoholic-beverage go-to-market platforms, breweries, distilleries, and complementary lifestyle and/ or experience brands.

By pursuing these investments, we seek to:

- Broaden our customer base across multiple demographics, including retail consumers, hospitality partners etc.
- Strengthening our market positioning through acquisitions of competitors or complementary brands, especially those with significant market positions in untapped and under-tapped segments;
- Build a diversified portfolio that spans various categories within the alcohol sector, including craft beer, spirits, and non-alcoholic options and also complementary lifestyle segments such as F&B, hospitality, live-events etc. to appeal to a broader range of consumers.

Our Company follows a structured process for evaluating potential acquisitions and investments. This process begins with an internal evaluation, where detailed financial, operational, and strategic assessments are conducted. Following this, a comprehensive due diligence process takes place, covering legal, technical, and regulatory reviews, with support from both in-house experts and external advisors. Upon completion of the assessment, the final decision and investment structuring are subject to approval by our Board of Directors.

(b) General Corporate purposes

The Net Proceeds will first be utilized for the each of the other objects as set out in this section. Subject to this,

our Company intends to deploy any balance left out of the Net Proceeds towards general corporate purposes, as approved by our management, from time to time, subject to (i) such utilization for general corporate purposes not exceeding 25% of the Gross Proceeds, and (ii) the cumulative amount to be utilized for general corporate purposes and our object of 'Funding of acquisitions of unidentified acquisitions and investment' shall not exceed 35% of the Gross Proceeds, in compliance with SEBI ICDR Regulations. Such general corporate purposes may include, but are not limited to, strategic initiatives such as expansion into new business lines and acquisitions, funding growth opportunities, strengthening marketing capabilities and brand building, rental and administrative expenses, meeting ongoing general corporate contingencies, employee and other personnel expenses, investments into our Subsidiaries, working capital requirements and any other purpose, as may be approved by our Board or a duly constituted committee thereof from time to time, subject to compliance with applicable law, including provisions of the Companies Act, 2013.

Estimated Issue expenses

The estimated issue expenses are as follows:

Particulars	Estimated expenses (in ₹ lakhs)	As a % of the total estimated Issue expenses	As a % of the total Issue size [#]
Fees of the intermediaries (including Advisors to the Issue, Registrar, legal advisors, other professional service providers)	14.00	35.00	0.68
Advertising, marketing expenses, shareholder outreach, etc.	10.00	25.00	0.49
Fees payable to regulators, including depositories, Stock Exchanges and SEBI	10.00	25.00	0.49
Printing and distribution of issue stationery	6.00	15.00	0.29
Other expenses (including miscellaneous expenses)	40.00	100.00	1.95
Total estimated Issue expenses *^	14.00	35.00	0.68

* Subject to finalisation of Basis of Allotment and Allotment of the Rights Equity Shares. In case of any difference between the estimated Issue related expenses and actual expenses incurred, the shortfall or excess shall be adjusted with the amount allocated towards general corporate purposes. All Issue related expenses will be paid out of the Gross Proceeds received at the time of receipt of the subscription amount to the Rights Equity Shares.

^ Excluding taxes

Assuming full subscription.

Bridge Financing Facilities

Our Company has not raised any bridge loans from any bank or financial institution as on the date of this Letter of Offer, which are proposed to be repaid from the Net Proceeds.

Interim use of Net Proceeds

Pending utilization of the Net Proceeds for the purposes described above, our Company will deposit the Net Proceeds only with scheduled commercial banks included in the second schedule of the Reserve Bank of India Act, 1934, as may be approved by our Board.

Monitoring Utilization of Funds from the Issue

Our Company has appointed Acuite Ratings & Research Limited as the Monitoring Agency for the Issue to monitor the utilization of the Gross Proceeds. The Monitoring Agency shall submit a report to our Board, till 100% of the Gross

Proceeds has been utilised, as required under the SEBI ICDR Regulations. Our Company will disclose the utilization of the Gross Proceeds under a separate head in our balance sheet along with the relevant details, for all such amounts that have not been utilized. Our Company will indicate instances, if any, of unutilized Gross Proceeds in the balance sheet of our Company for the relevant Fiscals subsequent to receipt of listing and trading approvals from the Stock Exchanges.

Pursuant to Regulation 32(3) of the SEBI LODR Regulations, our Company shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the Gross Proceeds. Further, pursuant to Regulation 32(5) of the SEBI LODR Regulations, our Company shall, on an annual basis, prepare a statement of funds utilised for purposes other than those stated in this Letter of Offer and place it before the Audit Committee and make other disclosures as may be required until such time as the Net Proceeds remain unutilised. Such disclosure shall be made only until such time that all the Gross Proceeds have been utilised in full. The statement shall be certified by the Statutory Auditor(s) of our Company or a peer reviewed independent chartered accountant, which shall be submitted by our Company with the Monitoring Agency.

Furthermore, in accordance with Regulation 32(1) of the SEBI LODR Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the actual utilisation of the proceeds of the Issue from the objects of the Issue as stated above; and (ii) details of category wise variations in the actual utilisation of the proceeds of the Issue from the objects of the Issue as stated above. This information will also be published on our website and explanation for such variation (if any) will be included in our Directors' report, after placing it before the Audit Committee.

Strategic or financial partners

There are no strategic or financial partners to the Objects of the Issue.

Appraising entity

None of the objects for which the Net Proceeds will be utilized have been appraised by any agency or any financial institution.

Other confirmations

No part of the proceeds of the Issue will be paid by our Company to our Promoters, our Promoter Group, our Directors or our Key Managerial Personnel or Senior Management.

Our Promoters, our Promoter Group and our Directors do not have any interest in the objects of the Issue, and there are no material existing or anticipated transactions in relation to utilization of the Net Proceeds with our Promoters, Promoter Group, Directors, Key Managerial Personnel, Senior Management or associate companies (as defined under the Companies Act, 2013).

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

STATEMENT OF SPECIAL TAX BENEFITS

To,
The Board of Directors,
Kati Patang Lifestyle Limited
504, Savitri Cinema Complex, Greater Kailash-II, New Delhi, 110048

Subject: Statement of Possible Special Tax Benefits available to the Company and its shareholders prepared in accordance with the requirements under Schedule VI-PART B, Clause (XII) (M) of the SEBI (ICDR) Regulations, 2018, as amended (the "Regulations")

We hereby report that the enclosed annexure, as prepared by Kati Patang Lifestyle Limited ("the Company"), outlines the potential special tax benefits available to the Company and its shareholders under the provisions of the Income Tax Act, 1961 ("the Act"), currently in force in India. It should be noted that the availability of many of these benefits is subject to the Company and/or its shareholders meeting specific conditions prescribed under the relevant provisions of the Act. Consequently, the extent to which such benefits can be availed will depend on the fulfillment of these conditions, which may be influenced by the Company's strategic and operational decisions.

The benefits outlined in the enclosed Annexure are limited to the **special tax benefits** available to the Company and its shareholders and do not address any **general tax benefits** that may otherwise be applicable. The preparation of this Annexure and the information contained therein are the sole responsibility of the management of Kati Patang Lifestyle Limited ("the Company").

We have been informed that the Annexure is intended solely to provide general information to investors and is not intended to serve as a substitute for professional tax advice. Given the specific nature of individual tax situations and the evolving nature of tax laws, each investor is strongly advised to consult their own tax advisor to assess the particular tax implications arising from their participation in the proposed rights issue of equity shares ("the Offer") by the Company.

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

- i. The Company or its shareholders will continue to be eligible for the stated tax benefits in the future; or
- ii. The conditions prescribed for availing such benefits have been or will be fully satisfied.

The contents of the enclosed statement are based on information, explanations, and representations provided by the Company, as well as our understanding of its business activities and operations. Our views are formed on the basis of facts and assumptions shared with us, and the applicable provisions of tax law and their interpretations as currently in force. These laws and interpretations are subject to change or modification from time to time through legislative, regulatory, administrative, or judicial decisions, including retrospective amendments, which may affect the validity of the views expressed herein.

We undertake no obligation to update this statement for any events or circumstances occurring after its issuance that may have a material impact on the matters discussed.

This report, including the enclosed Annexure, is intended solely for your information and for inclusion in the Prospectus or any other offer-related documents in connection with the proposed rights issue of the Company. It may not be used, referred to, or distributed for any other purpose without our prior written consent.

For Rajesh Raj Gupta & Associates LLP
Chartered Accountants
Firm's Registration No: 026338N/N500357
Sd/-
Manoj Kumar
Partner
Membership No. 521409
UDIN : 25521409BMNTDR6845

Place: New Delhi
Date: June 27, 2025

ANNEXURE TO THE STATEMENT OF TAX BENEFITS

The information set forth below outlines the potential special tax benefits available to the Company and its Equity Shareholders under the provisions of the Income Tax Act, 1961, currently in force in India. This summary is not intended to be exhaustive or comprehensive and should not be construed as a substitute for professional tax advice.

Prospective and/or existing investors are strongly advised to consult their own tax advisors regarding the specific tax consequences of investing in the right issue of Equity Shares. This is particularly important given that certain recently enacted legislative provisions may lack established legal precedent or may be subject to varying interpretations with respect to the applicability and extent of tax benefits that may be availed.

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

A. SPECIAL TAX BENEFITS TO THE COMPANY.

The Company is not entitled to any special tax benefits under the Act

B. SPECIAL TAX BENEFITS TO THE SHAREHOLDER

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

Note:

- 1) All the above benefits are as per the current tax laws and will be available only to the sole / first name holder where the shares are held by joint holders.
- 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) No assurance is given that the revenue authorities/courts will concur with the views expressed herein.

Our views are based on the current provisions of law and their interpretations, which are subject to change from time to time. We do not undertake any obligation to update these views in light of subsequent changes in law or its interpretation.

We shall not be liable for any claims, liabilities, or expenses arising in connection with this assignment, except to the extent of fees paid for this assignment, and only where such liability is finally adjudicated to have arisen primarily due to our bad faith or intentional misconduct. Furthermore, this statement is intended solely for the use of the specified recipient, and we accept no responsibility or liability to any other person in respect thereof.

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SECTION IV - ABOUT THE COMPANY

OUR MANAGEMENT

Board of Directors

The composition of the Board is governed and is in conformity with the provisions of the Companies Act, 2013, the rules prescribed thereunder, the Listing Regulations and the Articles of Association. In accordance with the Articles of Association, unless otherwise determined by our Company in general meeting, our Company shall not have less than three Directors and not more than twenty-one Directors.

As on the date of this Letter of Offer, our Company has Six Directors, comprising of Two Executive Director, One Non-Executive Directors and three Independent Directors inclusive of one woman Independent Director. The Chairman is an Executive Director. The following table provides details regarding our Board as of the date of filing this Letter of Offer:

The following table provides details regarding our Board as of the date of filing this Letter of Offer:

S. No.	Name, Designation, Date of Birth, Term, Period of Directorship, DIN, Occupation	Age (In Years)	Address
1.	Gokul Naresh Tandan Designation: Chairman and Managing Director Date of Birth: March 25, 1955 DIN: 00441563 Current Term: For a period of 5 Years from July 31, 2020 Occupation: Entrepreneur Date of expiration of current term- September 28, 2025	70	S-101, Panchsheel Park, New Delhi, 110017
2.	Rajendra V Kulkarni Designation: Non-Executive Director Date of Birth: May 18, 1957 DIN: 00988255 Current Term: Liable To Retire By Rotation Occupation: Entrepreneur Date of expiration of current term- Liable To Retire By Rotation	68	N-136, Panchsheel Park, New Delhi - 110017, India
3.	Shantanu Upadhyay Designation: Executive Director Date of Birth: December 24, 1976 DIN: 07709657 Current Term: Liable To Retire By Rotation Occupation: Entrepreneur Date of expiration of current term- Liable To Retire By Rotation	48	E-495, Second Floor, Greater Kailash II, Delhi- 110048
4.	Sanjay Jain Designation: Non-Executive (Independent) Director Date of Birth: October 27, 1966 DIN: 01014176 Current Term: For a period of 5 years from November 14, 2024 Occupation: Professional Date of expiration of current term: November 14, 2029	58	263 SFS Hauz Khas Appt Hauz Khas, New Delhi-110016
5.	Geeta Singh Designation: Non-Executive (Independent) Women Director Date of Birth: March 28, 1981 DIN: 10269520 Current Term: For a period of 5 years from August 28, 2023 Occupation: Professional Date of expiration of current term: August 27, 2028	44	2M-25, B P N.I.T. Faridabad, Haryana- 121001

S. No.	Name, Designation, Date of Birth, Term, Period of Directorship, DIN, Occupation	Age (In Years)	Address
6.	Vikram Grover Designation: Non-Executive (Independent) Director Date of Birth: April 07,1991 DIN: 09692781 Current Term: For a period of 5 years from August 12, 2022 Occupation: Professional Date of expiration of current term: August 11, 2027	34	5H 11 NIT Faridabad, Haryana- 121001

Details of Senior Management and KMP:

S. No.	Name	Designation	Date of Appointment
1.	Gokul Naresh Tandan	Managing Director	July 31, 2000
2.	Athar Ahmad	Chief Financial Officer	August 14, 2014
3.	Sanjeev K Jha	Company Secretary & Compliance Officer	April 01, 2025

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SECTION V - FINANCIAL INFORMATION

FINANCIAL STATEMENTS

The Audited Financial Statements of our Company for the year ended March 31, 2024, and March 31, 2023, can be accessed on the website of our Company at <https://virtsoft.com/investors/pdf/Annual%20Reports/AR-2023-2024.pdf>.

Further, the Audited Financial Results for the year ended on March 31, 2025, can be accessed on the website of our Company at <https://virtsoft.com/investors/kp/BM%20Outcome%20Financials.pdf>.

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SUMMARY OF FINANCIALS

The following table provides a summary of the financials for the year ended March 31, 2025, March 31, 2024 and March 31, 2023, derived from the Audited Consolidated Financial Statements, of our Company:

(Amount in ₹ lakhs, except share data)

Particulars	March 31, 2025	March 31, 2024	March 31, 2023
Total income	1837.35	514.21	359.25
Net profit / loss before tax and extraordinary items*	(492.94)	(240.58)	(415.15)
Net profit / loss after tax and extraordinary items*	(479.74)	(240.58)	(415.15)
Equity Share capital	3589.83	1029.76	1029.76
Preference Share capital	--	-	-
Reserves and surplus	(2339.41)	(3394.70)	(3214.13)
Net worth	1250.42	(2364.94)	(2184.37)
Basic earnings per equity share	(1.31)	(1.90)	(2.49)
Diluted earnings per equity share	(1.24)	(1.90)	(2.49)
No. of Equity shares subscribed and fully paid outstanding	3,58,98,280	10297600	10297600
Net asset value per equity share	3.48	(22.96)	(21.21)
Return on net worth	(38.36%)	-	-

**Net Profit/loss before/after tax and extra-ordinary item does not include Other Comprehensive Income.*

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SECTION VI: GOVERNMENT APPROVALS

GOVERNMENT AND OTHER APPROVALS

We are not required to obtain any licenses or approvals from any government or regulatory authority for the objects of this Issue. For further details, refer to the chapter titled “Objects of the Issue” beginning at page 49.

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OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for this Issue

This Issue has been authorized by a resolution of our Board passed at its meeting held on June 27, 2025, pursuant to Section 62(1)(a) and other applicable provisions of the Companies Act, 2013. The Rights Issue Committee of the Board of Directors of our Company in its meeting held on Friday, July 4, 2025, has resolved to issue Rights Equity Shares to the Eligible Equity Shareholders, at an Issue Price of ₹ 20/- per Rights Equity Share, in the ratio of 2:7 i.e., 2 (Two) Rights Equity Shares for every 7 (Seven) Equity Shares, as held on the Record Date.

Our Company has received in-principle approval from BSE in accordance with Regulation 28(1) of the Listing Regulations for the listing of the Rights Equity Shares to be allotted in this Issue vide letter dated Friday, July 4, 2025. Our Company will also make applications to BSE to obtain trading approval for the Rights Entitlements as required under SEBI Rights Issue Circulars. **Our Company has been allotted the ISIN [●], for the Rights Entitlements to be credited to the** respective demat accounts of the Equity Shareholders of our Company. For details, see “*Terms of the Issue*” on page 67.

Rationale for the Issue Price:

The investors should read the following summary with the section titled “Summary of Letter of Offer” and its financial statements under the section titled “Financial Information” beginning on page 18 and page 60 respectively of this Letter of Offer. The Rights Issue Committee of the Board of Directors of the Company has determined the Rights Issue price of ₹20/- per equity share, considering various factors, including that the issue price is at a discount to the recent market prices making it attractive to existing shareholders and the discount range to the current market price is in line with the industry practice, ensuring competitiveness.

Further, the issue price represents a discount of approximately:

- 31% on average of Six Months volume weighted average price of the equity shares of our Company quoted on BSE, preceding the date of announcement of the Rights Issue Price by our Company to the Stock Exchange;
- 23% on average of Three Months volume weighted average price of the equity shares of our Company quoted on BSE, preceding the date of announcement of the Rights Issue Price by our Company to the Stock Exchange;
- 22% on the closing market price of the Equity Shares of our Company, on BSE, on one trading day prior to the date of announcement of the Rights Issue by our Company to the Stock Exchange (i.e., June 27, 2025).
- 17% on the closing market price of the Equity Shares of our Company, on BSE, on one trading day prior to the date of announcement of the Rights Issue Price by our Company to the Stock Exchange;

Note : Date of announcement of the Rights Issue Price by our Company is June 27, 2025.

Prohibition by SEBI or Other Governmental Authorities

Our Company, our Promoters, the members of our Promoter Group and our Directors have not been and are not 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. Further, our Promoter and our Directors are not promoter(s) or director(s) of any other company which is 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. None of our Directors are associated with the securities in any manner and there are no outstanding action initiated by the Board against the said entities. Neither our Promoter nor any of our Directors are declared as fugitive economic offenders under Section 12 of the Fugitive Economic Offenders Act, 2018. Our Equity Shares have not been suspended from trading as a disciplinary measure, during the last three years immediately preceding the date of filing of the Letter of Offer. Our Company, our Promoters or our whole-time directors have neither received any show-cause notice issued by the Board or the adjudicating officer in a proceeding for imposition of penalty nor there has been any prosecution proceedings which have been initiated by the Board.

Prohibition by RBI

Neither our Company nor our Promoter or any of our Directors have been or are identified as Wilful Defaulters or Fraudulent Borrowers.

Eligibility for this Issue

Our Company is a listed company and has been incorporated under the Companies Act, 1956. Our Equity Shares are presently listed on BSE Limited. Our Company is eligible to offer the Rights Equity Shares pursuant to the Issue in terms of applicable provisions of Chapter III of the SEBI ICDR Regulations.

Compliance with Regulations 61 and 62 of the SEBI ICDR Regulations

Our Company is in compliance with the conditions specified in Regulations 61 and 62 of the SEBI ICDR Regulations, to the extent applicable. Further, in relation to compliance with Regulation 62(1)(a) of the SEBI ICDR Regulations, our Company undertakes to make an application for the listing of the Rights Equity Shares to be issued pursuant to this Issue. BSE is the Designated Stock Exchange for this Issue.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT THE SUBMISSION OF THE LETTER OF OFFER TO SEBI SHOULD NOT, IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE, OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LETTER OF OFFER.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY, AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE LETTER OF OFFER.

CAUTION

Our Company shall make all information available to the Eligible Equity Shareholders in accordance with the SEBI ICDR Regulations and no selective or additional information would be available for a section of the Eligible Equity Shareholders in any manner whatsoever including at presentations, in research or sales reports etc. after filing of the Letter of Offer. No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in the Letter of Offer. You must not rely on any unauthorized information or representations. The Letter of Offer is an offer to sell only the Rights Equity Shares and rights to purchase the Rights Equity Shares offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this Letter of Offer is current only as of its date. Our Company accept no responsibility or liability for advising any Applicant on whether such Applicant is eligible to acquire any Rights Equity Shares.

Disclaimer with respect to jurisdiction

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

Designated Stock Exchange

The Designated Stock Exchange for the purpose of the Issue is BSE Limited.

Disclaimer Clause of the BSE

As required, a copy of this Letter of Offer has been submitted to BSE. The disclaimer clause as intimated by BSE to our Company, post scrutiny of this Letter of Offer is as under:

“BSE Limited (“the Exchange”) has given vide its letter dated July 04, 2025, permission to this Company to use the Exchange’s name in this Letter of Offer as the stock exchange on which this Company’s securities are proposed to be listed. The Exchange has scrutinized this letter of offer for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner:

- Warrant, certify or endorse the correctness or completeness of any of the contents of this letter of offer; or*
- Warrant that this Company’s securities will be listed or will continue to be listed on the Exchange; or*
- Take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;*

and it should not for any reason be deemed or construed that this letter of offer has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange 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”

NO OFFER IN THE UNITED STATES

THE RIGHTS ENTITLEMENTS AND THE RIGHTS EQUITY SHARES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S SECURITIES ACT AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES, EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. ACCORDINGLY, THE RIGHTS EQUITY SHARES ARE ONLY BEING OFFERED AND SOLD OUTSIDE THE UNITED STATES IN “OFFSHORE TRANSACTIONS” AS DEFINED IN AND IN RELIANCE ON REGULATIONS UNDER THE U.S. SECURITIES ACT TO ELIGIBLE EQUITY SHAREHOLDERS LOCATED IN JURISDICTIONS WHERE SUCH OFFER AND SALE IS PERMITTED UNDER THE LAWS OF SUCH JURISDICTIONS. THE OFFERING TO WHICH THIS LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES FOR SALE IN THE UNITED STATES OR AS A SOLICITATION THEREIN OF AN OFFER TO BUY ANY OF THE SAID SECURITIES. ACCORDINGLY, YOU SHOULD NOT FORWARD OR TRANSMIT THIS LETTER OF OFFER INTO THE UNITED STATES AT ANY TIME.

Neither our Company, nor any person acting on behalf of our Company, will accept a subscription 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 Application Form should 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 under the Letter of Offer or where any action would be required to be taken to permit the Issue. Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders and will dispatch the Letter of Offer and Application Form only to Eligible Equity Shareholders who have provided an Indian address to our Company. Any person who purchases or sells Rights Entitlements or makes an application for Rights Equity Shares will be deemed to have represented, warranted and agreed, by accepting the delivery of the Letter of Offer, that it is not and that at the time of subscribing for the Rights Equity Shares or the purchase or sale of Rights Entitlements, it will not be, in the United States and is authorized to purchase or sell the Rights Entitlement and subscribe to the Rights Equity Shares in compliance with all applicable laws and regulations.

Our Company, reserves the right to treat as invalid any Application Form which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States or any other jurisdiction where the offer and sale of the Rights Equity Shares is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is outside the United States and such person is eligible to subscribe for the Rights Equity Shares under applicable securities laws and is complying with laws of jurisdictions applicable to such

person in connection with this Issue; or (iii) where either a registered Indian address is not provided; or (iv) where our Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to issue or allot any Rights Equity Shares in respect of any such Application Form.

Mechanism for Redressal of Investor Grievances

Our Company has adequate arrangements for the redressal of investor complaints in compliance with the corporate governance requirements in compliance with the Listing Agreements and the SEBI LODR Regulations. We have been registered with the SEBI Complaints Redress System (SCORES) as required by the SEBI circular no. CIR/OIAE/2/2011 dated June 3, 2011, and shall comply with the SEBI circular bearing reference number SEBI/HO/OIAE/CIR/P/2023/156 dated September 20, 2023, and any other circulars issued in this regard. Consequently, investor grievances are also tracked online by our Company through the SCORES mechanism. Further, pursuant to SEBI Circular Nos. SEBI/HO/OIAE/OIAE_IAD-1/P/ CIR/2023/131 dated July 31, 2023, and SEBI/HO/OIAE/ OIAE_IAD-1/P/CIR/2023/135 dated August 4, 2023, read with Master Circular No. SEBI/HO/ OIAE/OIAE_IAD1/P/ CIR/2023/145 dated July 31, 2023 (updated as on August 11, 2023), the SEBI has established a common Online Dispute Resolution Portal (“ODR Portal”) for resolution of disputes arising in the Indian Securities Market. Pursuant to above-mentioned circulars, post exhausting the option to resolve their grievances with the RTA/ Company directly and through existing SCORES platform, the investors can initiate dispute resolution through the ODR Portal at <https://smartodr.in/login>

Our Company has a Stakeholders’ Relationship Committee which meets at least once in a financial 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. MAS Services Limited is our Registrar and Share Transfer Agent. All investor grievances received by us have been handled by the Registrar and Share Transfer Agent in consultation with our Company Secretary and Compliance Officer. The investor complaints received by our Company are generally disposed of within 21 days from the date of receipt of the complaint. Further our Company, has addressed all of the investor’s complaints received for the quarter ending March 31, 2025.

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 Rights Equity 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 see “Terms of the Issue” beginning on page 67.

The contact details of Registrar to the Issue and our Company Secretary and Compliance Officer are as follows:

Registrar to the Issue

MAS Services Limited

Address - T-34, 2nd Floor, Okhla Industrial Area, Phase – II, New Delhi-110 020

Tel: +91 11 2638 7281/82/83, +91 11 4132 0335

E-mail: ipo@masserv.com

Investor Grievance ID: investor@masserv.com

Contact Person: Mr. Sharwan Mangla

Website: www.masserv.com

Company Secretary and Compliance Officer

Mr. Sanjeev Kumar Jha

504, Savitri Cinema Complex,

5th Floor Greater Kailash-II, New Delhi – 110048, India

Telephone: +91-98680 22278;

E-mail : cs@iamkatipatang.com

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SECTION VII - 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 in this Letter of Offer, the Letter of Offer, the Rights Entitlement Letter and the Application Form, 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 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 ICDR Master Circular, Investors proposing to apply in this Issue can apply only through ASBA.

Investors are requested to note that Application in this Issue can only be made through ASBA or any other mode which may be notified by SEBI.

Please note that our Company has opened a separate demat suspense escrow account namely, “**Kati Patang Lifestyle - Rights Issue Demat Suspense Account**” (“Demat Suspense Account”) and would credit Rights Entitlements on the basis of the Equity Shares: (a) of the Eligible Equity Shareholder whose demat accounts are frozen or where the Equity Shares are lying in the unclaimed suspense account / demat suspense account (including those pursuant to Regulation 39 of the SEBI LODR Regulations) or details of which are unavailable with our Company or with the Registrar on the Record Date or where Equity Shares have been kept in abeyance or where entitlement certificate has been issued or where instruction has been issued for stopping issue or transfer or where letter of confirmation lying in escrow account; or (b) where credit of the Rights Entitlements have returned/reversed/failed for any reason; or (c) where ownership is currently under dispute, including any court or regulatory proceedings or where legal notices have been issued, if any. Please also note that our Company has credited Rights Entitlements to the Demat Suspense Account on the basis of information available with our Company and to serve the interest of relevant Eligible Equity Shareholders to provide them with a reasonable opportunity to participate in the Issue. The credit of the Rights Entitlements to the Demat Suspense Account by our Company does not create any right in favour of the relevant Eligible Equity Shareholders for transfer of Rights Entitlement to their demat account or to receive any Equity Shares in the Issue.

With respect to the Rights Entitlements credited to the Demat Suspense Account, the Eligible Equity Shareholders are requested to provide relevant details (such as applicable regulatory approvals, Form ISR-1, ISR-2 with original cancelled cheque (if signature does not matched with our record), ISR-4 (if shares are under unclaimed suspense account) self-attested PAN and client master sheet of demat account, details/ records confirming the legal and beneficial ownership of their respective Equity Shares, etc.) to our Company or the Registrar no later than two clear Working Days prior to the Issue Closing Date to enable credit of their Rights Entitlements by way of transfer from the Demat Suspense 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 our Company or the Registrar account is active to facilitate the aforementioned transfer. In the event that the Eligible Equity Shareholders are not able to provide relevant details to our Company or the Registrar by the end of two clear Working Days prior to the Issue Closing Date, Rights Entitlements credited to the Demat Suspense Account shall lapse and extinguish in due course and such Eligible Equity Shareholder shall not have any claim against our Company and our Company shall not be liable to any such Eligible Equity Shareholder in any form or manner.

Further, with respect to Equity Shares for which Rights Entitlements are being credited to the Demat Suspense Account, the Application Form along with the Rights Entitlement Letter shall not be dispatched till the resolution of the relevant issue/concern and transfer of the Rights Entitlements from the Demat Suspense Account to the respective demat account other than in case of Eligible Equity Shareholders who hold Equity Shares in physical form as on the Record Date who will receive the Application Form along with the Rights Entitlement Letter. Upon submission of such documents /records no later than two clear Working Days prior to the Issue Closing Date, to the satisfaction of our Company, our Company shall make available the Rights Entitlement on such Equity Shares to the identified Eligible Equity Shareholder. The

identified Eligible Equity Shareholder shall be entitled to subscribe to Equity Shares pursuant to the Issue during the Issue Period with respect to these Rights Entitlement and subject to the same terms and conditions as the Eligible Equity Shareholder.

Overview

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 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, the SEBI ICDR Master Circular 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 Stock Exchanges and the terms and conditions as stipulated in the Allotment Advice.

I. DISPATCH AND AVAILABILITY OF ISSUE MATERIALS

Pursuant to the requirements of the SEBI ICDR Regulations and other applicable laws, the Rights Entitlements will be credited to the demat account of the Eligible Equity Shareholders who are Equity Shareholders as on the Record Date, however, the Issue Materials will be sent/ dispatched only to such Eligible Equity Shareholders who have provided an Indian address to our Company and only such Eligible Equity Shareholders are permitted to participate in the Issue. The credit of Rights Entitlement does not constitute an offer, invitation to offer or solicitation for participation in the Issue, whether directly or indirectly, and only dispatch of the Issue Material shall constitute an offer, invitation or solicitation for participation in the Issue in accordance with the terms of the Issue Material. Further, receipt of the Issue Materials (including by way of electronic means) will not constitute an offer, invitation to or solicitation by anyone in (i) the United States or (ii) 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 and any other Issue Materials must be treated as sent for information only and should not be acted upon for subscription to Rights Equity Shares and should not be copied or re-distributed, in part or full. Accordingly, persons receiving a copy of the Issue Materials should not distribute or send the Issue Materials 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 Issue Material is received by any person in any such jurisdiction or the United States, they must not seek to subscribe to the Rights Equity Shares. For more details, see “*Restrictions on Purchases and Resales*” beginning on page 98.

The Issue material will be sent/ dispatched only to the Eligible Equity Shareholders who have provided an Indian address to our Company. In case such Eligible Equity Shareholders have provided their valid e-mail address, this Issue material will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their valid e-mail address, Issue material will be physically dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Further, this Letter of Offer will be sent/ dispatched to the Eligible Equity Shareholders who have provided their Indian address and who have made a request in this regard.

Investors can access the Letter of Offer, the Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe to the Rights Equity Shares under applicable laws) on the websites of:

- (i) our Company at www.katipatang.com;
- (ii) the Registrar at www.masserv.com;
- (iii) the BSE at www.bseindia.com.

To update the respective Indian addresses/e-mail addresses/phone or mobile numbers in the records maintained by the Registrar or by our Company, in case shares held in physical mode or contact with their Depository participant in case shares held in demat mode, Eligible Equity Shareholders should visit www.masserv.com.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar (i.e., www.masserv.com) by entering their DP ID and Client ID or folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date). The link for the same shall also be available on the website of our Company at www.katipatang.com.

Please note that neither our Company nor the Registrar shall be responsible for not sending the physical copies of Issue materials, including the Letter of Offer, the Rights Entitlement Letter and the Application Form or delay in the receipt of the Letter of Offer, the Rights Entitlement Letter or the Application Form attributable to non-availability of the e-mail addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in the transit.

The distribution of Letter of Offer, the Rights Entitlement Letter and the issue of Rights Equity 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 Stock Exchanges. Accordingly, Rights Equity 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 and as permitted under the legal requirements applicable in such jurisdiction. Receipt of the Issue Materials 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 authorised or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, such Issue Materials 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 the Letter of Offer, the Rights Entitlement Letter or the Application Form should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send the 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 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 Letter of Offer, the Rights Entitlement Letter or the Application Form. Any person who purchases or renounces the Rights Entitlements or makes an application to acquire the Rights Equity Shares offered in the Issue will be deemed to have declared, represented and warranted that such person is outside the United States and is eligible to subscribe and authorized to purchase or sell the Rights Entitlements or acquire the Rights Equity 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).

The Letter of Offer will be provided, primarily through e-mail, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their email id to our Company and will be provided physically to eligible shareholders who make a request in this regard along with relevant details.

II. PROCESS OF MAKING AN APPLICATION IN THE ISSUE

- In accordance with Regulation 76 of the SEBI ICDR Regulations, the SEBI ICDR Master

Circular and the 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.

The Application Form can be used by the Eligible Equity Shareholders as well as the Renounees to make Applications in this Issue basis the Rights Entitlement credited in their respective demat accounts.

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. 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 Equity 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 Equity Shares 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 authorising 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 that 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 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, see “*Grounds for Technical Rejection*” on page 77. Our Company the Registrar 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 and such Investors shall not utilise the Application Form for any purpose including renunciation even if it is received subsequently. For details, see “*Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process*” on page 72.

- ***Options available to the Eligible Equity Shareholders***

The Rights Entitlement Letter will clearly indicate the number of Rights Equity Shares that the Eligible Equity Shareholder is entitled to in the Issue.

If the Eligible Equity Shareholder applies in this Issue, then such Eligible Equity Shareholder can:

- (i) apply for its Rights Equity Shares to the full extent of its Rights Entitlements; or
- (ii) apply for its Rights Equity Shares to the extent of part of its Rights Entitlements (without renouncing the other part); or
- (iii) apply for Rights Equity 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 Equity Shares to the full extent of its Rights Entitlements and apply for Additional Rights Equity Shares; or
- (v) renounce its Rights Entitlements in full: or
- (vi) in case of Promoter and Promoter Group, renouncement of their Rights Entitlements can be made in favour of Specific Investors

- ***Making of an 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 SCSBs, prior to making the Application. Investors desiring to make an Application in this Issue through ASBA process, may submit the Application Form in physical mode to the Designated Branches 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 Application Form and have provided an authorisation to the SCSB, *via* the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Money mentioned in the Application Form, as the case may be, at the time of submission of the Application.

For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process, please refer to www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmlId=34.

Please note that subject to SCSBs complying with the requirements of the 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. 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, their directors, their 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.

Investors applying through the ASBA facility should carefully read the provisions applicable to such Applications before making their Application through the ASBA process.

Do's for Investors applying through ASBA:

- (a) Ensure that the necessary details are filled in the Application Form including the details of the ASBA Account.
- (b) Ensure that the details about your Depository Participant, PAN and beneficiary account are correct and the beneficiary account is activated as the Rights Equity Shares will be Allotted in the dematerialized form only.
- (c) 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.
- (d) Ensure that there are sufficient funds (equal to {number of Rights Equity Shares (including Additional Rights Equity Shares) applied for} X {Application Money of Equity Shares})

available in ASBA Account mentioned in the Application Form before submitting the Application to the respective Designated Branch of the SCSB.

- (e) Ensure that you have authorised the SCSB for blocking funds equivalent to the total amount payable on application mentioned in the Application Form, in the ASBA Account, of which details are provided in the Application Form and have signed the same.
- (f) Ensure that you have a bank account with SCSBs providing ASBA facility in your location and the Application is made through that SCSB providing ASBA facility in such location.
- (g) Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the Application Form in physical form or plain paper Application.
- (h) Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the 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 Application Form and the Rights Entitlement Letter.
- (i) Ensure that your PAN is linked with Aadhaar and you are in compliance with CBDT notification dated February 13, 2020 read with press release dated June 25, 2021 and September 17, 2021.

Don'ts for Investors applying through ASBA:

- (a) Do not apply if you are not eligible to participate in the Issue under the securities laws applicable to your jurisdiction.
- (b) Do not submit the Application Form after you have submitted a plain paper Application to a Designated Branch of the SCSB or *vice versa*.
- (c) Do not send your physical Application to the Registrar, the Bankers to the Issue (assuming that such Bankers to the Issue are not SCSB's), 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.
- (d) Do not instruct the SCSBs to unblock the funds blocked under the ASBA process upon making the Application.
- (e) Do not submit Application Form using third party ASBA account.
- (f) Avoiding applying on the Issue Closing Date due to risk of delay/restriction in making any physical Application.
- (g) Do not submit Multiple Application Forms.

- ***Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process***

An Eligible Equity Shareholder in India who is eligible to apply under the ASBA process may make an Application to subscribe to this Issue on plain paper in terms of Regulation 78 of SEBI ICDR Regulations in case of non-receipt of Application Form as detailed above. In such cases of non-receipt of the Application Form through physical delivery (where applicable) and the Eligible Equity Shareholder not being in a position to obtain it from any other source may make an Application to subscribe to this Issue on plain paper with the same details as per the Application Form that is available on the website of the Registrar or Stock Exchanges. An Eligible Equity Shareholder shall submit the plain paper Application to the Designated Branch of the SCSB for authorising 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 Eligible Equity Shareholder who has not provided an Indian address.

Please note that in terms of Regulation 78 of SEBI ICDR Regulations, 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 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/her 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 **Kati Patang Lifestyle 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. DP and Client ID in which RE held;
4. 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 Equity Shares applied for pursuant to this Issue;
5. Number of Equity Shares held as on Record Date;
6. Allotment option – only dematerialised form;
7. Number of Rights Equity Shares entitled to;
8. Number of Rights Equity Shares applied for within the Rights Entitlements;
9. Number of Additional Rights Equity Shares applied for, if any (applicable only if entire Rights Entitlements have been applied for);
10. Total number of Rights Equity Shares applied for;
11. Total Application amount paid at the rate of ₹10/- per Rights Equity Share;
12. Details of the ASBA Account such as the SCSB account number, name, address and branch of the relevant SCSB;
13. In case of non-resident 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;
14. Authorisation 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); and
16. All such Eligible Equity Shareholders shall be deemed to have made the representations, warranties and agreements set forth in “*Restrictions on Purchases and Resales - Representations, Warranties and Agreements by Purchasers*” on page 98, and shall include the following:

“I/ We understand that neither the Rights Entitlements nor the Rights Equity Shares have been, or will be, registered under the U.S. Securities Act of 1933, as amended (the “U.S. 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 U.S. Securities Act. I/ we understand the Rights

Equity 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 U.S. Securities Act (“Regulation S”) to Eligible Equity Shareholders located in jurisdictions where such offer and sale of the Rights 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 Equity 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 Equity 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 Equity 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 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 Equity 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 Equity 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 Letter of Offer titled “Restrictions on Purchases and Resales” on page 98.

I/ We understand and agree that the Rights Entitlements and Rights Equity 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 U.S. Securities Act.

I/ We acknowledge that the Company their affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements.”

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.masserv.com.

Our Company and the Registrar shall not be responsible if the Applications are not uploaded by the SCSB or funds are not blocked in the Investors’ ASBA Accounts on or before the Issue Closing Date.

- ***Making of an Application by Eligible Equity Shareholders holding Equity Shares in physical form***

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI ICDR Master Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialised form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Rights Equity Shares in this Issue are advised to furnish the details of their demat account to the Registrar or our Company at least two clear 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 Eligible Equity Shareholders, among others, who hold Equity Shares in physical form, and/or whose demat account details are not available with our Company or the Registrar, shall be credited in the Demat Suspense Account.

Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date 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 to send form ISR1, ISR2 (in case signature does not match with RTA record), ISR-4, Client master copy, Copy of Self attested PAN, Original Cancelled cheque to RTA above documents should reach with RTA no later than two Clear 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; and
- (c) The remaining procedure for Application shall be same as set out in the section entitled “-*Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process*” on page 72.

Resident Eligible Equity Shareholders who hold Equity Shares in physical form as on the Record Date will not be allowed to renounce their Rights Entitlements in the Issue. However, such Eligible Equity Shareholders, where the dematerialized Rights Entitlements are transferred from the Demat Suspense Account to the respective demat accounts within prescribed timelines, can apply for Additional Rights Equity Shares while submitting the Application through ASBA process.

Application for Additional Rights Equity Shares

Investors are eligible to apply for Additional Rights Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Equity Shares under applicable law and they have applied for all the Rights Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Where the number of Additional Rights Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalised in consultation with the Designated Stock Exchange. Applications for Additional Rights Equity Shares shall be considered, and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner as set out in the section entitled “*Basis of Allotment*” on page 91.

Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for Additional Rights Equity Shares. Non-resident Renouncees who are not Eligible Equity Shareholders cannot apply for Additional Rights Equity Shares unless regulatory approvals are submitted.

Additional general instructions for Investors in relation to making of an Application

- (a) Please read this Letter of Offer carefully to understand the Application process and applicable settlement process.
- (b) Please read the instructions on the Application Form sent to you. Application should be complete in all respects. The 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 Letter of Offer, the Letter of Offer, the Rights Entitlement Letter and the Application Form are liable to be rejected. The Application Form must be filled in English.

- (c) In case of non-receipt of Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under the section entitled “*Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process*” on page 72.
- (d) 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 authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. Please note that on the Issue Closing Date, Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.
- (e) Applications should not be submitted to the Bankers to the Issue, our Company or the Registrar.
- (f) 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 Equity Shares pursuant to this Issue shall be made into the accounts of such Investors.
- (g) 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. Investors applying under this Issue should note that on the basis of name of the Investors, DP ID and Client ID provided by them in the Application Form or the plain paper Applications, as the case may be, the Registrar will obtain Demographic Details from the Depository. Therefore, 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 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. **The Allotment Advice and the intimation on unblocking of ASBA Account or refund (if any) would be mailed to the address of the Investor as per the Indian 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 Equity 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, or 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) DP ID, and (c) Client ID, then such Application Forms are liable to be rejected.**
- (h) By signing the Application Forms, Investors would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

- (i) 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.
- (j) Investors should provide correct DP ID and Client ID/ folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) 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.
- (k) In case of joint holders and physical Applications through ASBA process, all joint holders must sign the relevant part of the 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.
- (l) All communication in connection with Application for the Rights Equity Shares, including any change in contact details 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 number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date)/DP ID and Client ID and Application Form number, as applicable. In case of any change in contact details 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.
- (m) Investors are required to ensure that the number of Rights Equity Shares applied for by them does not exceed the prescribed limits under the applicable law.
- (n) Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction.
- (o) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.
- (p) Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application.
- (q) Do not pay the Application Money in cash, by money order, pay order or postal order.
- (r) Do not submit Multiple Applications.
- (s) An Applicant being an OCB is required not to be under the adverse notice of RBI and in order to apply in this Issue as an incorporated non-resident must do so in accordance with the FDI Policy and the FEMA Rules, as amended.
- (t) Ensure that your PAN is linked with Aadhaar, and you are in compliance with CBDT notification dated February 13, 2020, and press release dated June 25, 2021, and September 17, 2021.

- ***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 does not match with the DP ID and Client ID records available with the Registrar.
- (b) Details of PAN mentioned in the Application does not match with the PAN records available with the Registrar/ Depository.
- (c) Sending an Application to our Company, Registrar, Bankers to the Issue, to a branch of a SCSB which is not a Designated Branch of the SCSB.
- (d) Insufficient funds are available in the ASBA Account with the SCSB for blocking the Application Money.
- (e) Funds in the ASBA Account whose details are mentioned in the Application Form having been frozen pursuant to regulatory orders.
- (f) Account holder not signing the Application or declaration mentioned therein.
- (g) Submission of more than one Application Form for Rights Entitlements available in a particular demat account.
- (h) Multiple Application Forms, including cases where an Investor submits Application Forms along with a plain paper Application.
- (i) 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).
- (j) 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.
- (k) Applications by SCSB on own account, other than through an ASBA Account in its own name with any other SCSB.
- (l) Application Forms which are not submitted by the Investors within the time periods prescribed in the Application Form and the Letter of Offer.
- (m) Physical Application Forms not duly signed by the sole or joint Investors, as applicable.
- (n) Application Forms accompanied by stock invest, outstation cheques, post-dated cheques, money order, postal order or outstation demand drafts.
- (o) 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.
- (p) Applications which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States or other jurisdictions where the offer and sale of the Rights Equity Shares is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is outside the United States, and is eligible to subscribe for the Rights Equity Shares under applicable securities laws and is complying with laws of jurisdictions applicable to such person in connection with this Issue; and our Company shall not be bound to issue or allot any Rights Equity Shares in respect of any such Application Form.
- (q) Applications which have evidence of being executed or made in contravention of applicable securities laws.

- (r) Application from Investors that are residing in U.S. address as per the depository records.
- (s) Applicants not having the requisite approvals to make Application in the Issue.
- (t) RE not available in DPID on Issue Closing Date.

- ***Multiple Applications***

In case where multiple Applications are made using same demat account in respect of the same set of Rights Entitlement, 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. Further supplementary Applications in relation to further Rights Equity Shares with/without using additional Rights Entitlement will not be treated as multiple application. 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 81.

In cases where Multiple Application Forms are submitted, including cases where (a) an Investor submits Application Forms along with a plain paper Application or (b) multiple plain paper Applications (c) or multiple applications through ASBA, such Applications may be treated as multiple applications and are liable to be rejected or all the balance shares other than Rights Entitlement will be considered as additional shares applied for, other than multiple applications submitted by any of our Promoter or members of our Promoter Group to meet the minimum subscription requirements applicable to this Issue as described in the section entitled “*Summary of the Letter of Offer- Intention and extent of participation by our Promoters and Promoter Group with respect to (i) their rights entitlement, (ii) their intention to subscribe over and above their rights entitlement; and (iii) their intention to renounce their rights, to any specific investor(s)*” on page 19.

- ***Procedure for Applications by certain categories of Investors***

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 RBI in this regard. Further, the aggregate limit of all FPIs investments is up to the sectoral cap applicable to the sector in which our Company operates. The ceiling of investments in our Company by FPIs is 49%.

FPIs are permitted to participate in this Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time. FPIs who wish to participate in the Issue are advised to use the Application Form for non-residents. 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 recognised 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 offshore derivative instruments are to be transferred to are pre – approved by the FPI.

Procedure for Applications by AIFs, FVCIs, VCFs and FDI route

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. Further, 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 / centres 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 recognised 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 ceiling of investment by a FPIs is 49% and by NRI's under portfolio scheme is 24%. 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. The aggregate ceiling for an OCI in our Company is 24%, which was approved by way of special resolution dated May 27, 2020.

Further, in accordance with press note 3 of 2020, the FDI Policy has been amended to state that all investments by entities incorporated in a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country (“**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 Equity 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.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or exchange traded funded or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company’s paid-up share capital carrying voting rights.

*Procedure for Applications by Systemically Important Non-Banking Financial Companies (“**NBFC-SI**”)*

In case of an application made by NBFC-SI registered with RBI, (a) the certificate of registration issued by RBI under Section 45IA of RBI Act, 1934 and (b) net worth certificate from its statutory auditors or any independent chartered accountant based on the last audited financial statements is required to be attached to the application.

Last date for Application

The last date for submission of the duly filled in the Application Form or a plain paper Application is 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 Application Form is not submitted with an SCSB, uploaded with the Stock Exchanges 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 this 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 Equity Shares hereby offered, as set out in the section entitled “- *Basis of Allotment*” on page 91.

Please note that on the Issue Closing Date, Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges. It is further to be noted and taken care by the applicant that many SCSB’s close the application window few hours prior to 5:00 PM (depending on internal policies), on the Issue Closing date, for their procedural reasons.

Please ensure that the 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. In case of Specific Investor in whose favour Promoter and Promoter Group have renounced their Rights Entitlement and the Specific Investors have made an application for subscribing to the Rights Entitlement, then no withdrawal of such application will be allowed.

Disposal of Application and Application Money

No acknowledgment will be issued for the Application Money received by our Company. However, the Designated Branches of the SCSBs receiving the Application Form will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each Application Form.

Our Board or a committee thereof 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 Equity Shares Allotted, will be refunded / unblocked in the respective bank accounts from which Application Money was received / ASBA Accounts of the Investor within one Working Day 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 Application Form carefully.

III. CREDIT OF RIGHTS ENTITLEMENTS IN DEMAT ACCOUNTS OF ELIGIBLE EQUITY SHAREHOLDERS

- ***Rights Entitlements***

As your name appears as a beneficial owner in respect of the issued and paid-up Equity Shares held in dematerialised 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, you may be entitled to subscribe to the number of Rights Equity Shares as set out in the Rights Entitlement Letter.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar i.e., www.masserv.com by entering their DP ID and Client ID or folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date). The link for the same shall also be available on the website of our Company (i.e., www.katipatang.com).

In this regard, our Company has made necessary arrangements with NSDL and CDSL for crediting 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 ISIN: [●]**. The said ISIN shall remain frozen (for debit) until the Issue Opening Date. The said ISIN shall be suspended for transfer by the Depositories post the Issue Closing Date.

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 Account to the Stock Exchanges 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.

Rights Entitlements shall be credited to the respective demat accounts of Eligible Equity Shareholders before the Issue Opening Date only in dematerialised form. Further, if no Application is made by the Eligible Equity Shareholders of Rights Entitlements on or before Issue Closing Date, such Rights Entitlements shall lapse and shall be extinguished after the Issue Closing Date. No Rights Equity Shares for such lapsed Rights Entitlements will be credited, even if such Rights Entitlements were purchased from market and purchaser will lose the premium paid to acquire the Rights Entitlements. Persons who are credited the Rights Entitlements are required to make an Application to apply for Rights Equity Shares offered under the Issue for subscribing to the Rights Equity Shares offered under the Issue.

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 no later than two clear Working Days prior to the Issue Closing Date, to enable the credit of the Rights Entitlements by way of transfer from the Demat Suspense 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 by sending ISR-1, ISR-2 (in case signature not matched with RTA record), ISR-4 with copy of PAN, original Cancelled cheque (name of 1st shareholder should be printed on it), Copy of CML (client master) to RTA in original. Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts.

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI ICDR Master Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form.

IV. RENUNCIATION AND TRADING OF RIGHTS ENTITLEMENT

- ***Renouncees***

All rights and obligations of the Eligible Equity Shareholders in relation to Applications and refunds pertaining to this Issue shall apply to the Renouncee(s) as well.

- ***Renunciation of Rights Entitlements***

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.

The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and *vice versa* 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 favour 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.

The renunciation of Rights Entitlements credited in your demat account can be made either by sale of such Rights Entitlements, using the secondary market platform of the Stock Exchanges or through an off-market transfer.

- ***Procedure for Renunciation of Rights Entitlements***

The Eligible Equity Shareholders 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 Stock Exchanges (the “**On Market Renunciation**”); or (b) through an off-market transfer (the “**Off Market Renunciation**”), 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.

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.

Payment Schedule of Rights Equity Shares

Amount payable per Rights Equity Share (1)	Face Value (₹)	Premium (₹)	Total (₹)
On Application	5.00	5.00	10.00(2)
One or more subsequent Call(s) as determined by our Board / Rights Issue Committee at its sole discretion, from time to time	5.00	5.00	10.00(3)
Total	10.00	10.00	20.00

(1) For further details on Payment Schedule, see “Terms of the Issue” on page 67.

(2) Constitutes 50% of the Issue Price

(3) Constitutes 50% of the Issue Price

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.

(a) *On Market Renunciation*

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts by trading/selling them on the secondary market platform of the Stock Exchanges 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 ICDR Master Circular, the Rights Entitlements credited to the respective demat accounts of the Eligible Equity Shareholders shall be admitted for trading on the Stock Exchanges under ISIN: [●] subject to requisite approvals. Prior to the Issue Opening Date, our Company will obtain the approval from the Stock Exchanges for trading of Rights Entitlements. No assurance can be given regarding the active or sustained On Market Renunciation or the price at which the Rights Entitlements will trade. The details for trading in Rights Entitlements will be as specified by the Stock Exchanges from time to time.

The Rights Entitlements are tradable in dematerialized form only. The market lot for trading of Rights Entitlements is 1 (one) Rights Entitlements.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, *i.e.*, from Thursday, July 17, 2025 to Tuesday, July 22, 2025 (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 ISIN: [●] and indicating the details of the Rights Entitlements they intend to trade. 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+1 rolling settlement basis', 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 Stock Exchanges and the SEBI.

(b) *Off Market Renunciation*

The Eligible Equity Shareholders 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 dematerialised 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 Renounees on or prior to the Issue Closing Date to enable Renounees to subscribe to the Rights Equity Shares in the Issue.

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 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.

V. **MODE OF PAYMENT**

All payments against the Application Forms shall be made only through ASBA facility. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility.

Under the ASBA facility, the Investor agrees to block the entire amount payable on Application with the submission of the Application Form, by authorizing the SCSB to block an amount, equivalent to the amount payable on Application, in the Investor's ASBA Account. The SCSB may reject the application at the time of acceptance of Application Form if the ASBA Account, details of which have been provided by the Investor in the Application Form does not have sufficient funds equivalent to the amount payable on Application mentioned

in the 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 in this Letter of Offer.

After verifying that sufficient funds are available in the ASBA Account details of which are provided in the Application Form, the SCSB shall block an amount equivalent to the Application Money mentioned in the 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(s) 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 finalisation 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.

In terms of 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.

Mode of payment for Resident Investors

All payments on the 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 ASBA facility and using permissible accounts in accordance with FEMA, FEMA Rules and requirements prescribed by RBI and subject to the following:

1. In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Rights Equity Shares can be remitted outside India, subject to tax, as applicable according to the Income-Tax Act. However, please note that conditions applicable at the time of original investment in our Company by the Eligible Equity Shareholder including repatriation shall not change and remain the same for subscription in the Issue or subscription pursuant to renunciation in the Issue.
2. Subject to the above, in case Rights Equity Shares are Allotted on a non-repatriation basis, the dividend and sale proceeds of the Rights Equity Shares cannot be remitted outside India.
3. In case of an 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 RBI as applicable at the time of making such Allotment, remittance and subject to necessary approvals.
4. Application Forms received from non-residents/ NRIs, or persons of Indian origin residing abroad for Allotment of Rights Equity 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 Equity Shares.

VI. BASIS FOR THIS ISSUE AND TERMS OF THIS ISSUE

The Rights Equity Shares are being offered for subscription 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 dematerialised 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.

For principal terms of Issue such as face value, Issue Price, Rights Entitlement, see “*The Issue*” beginning on page 40.

- ***Fractional Entitlements***

The Rights Equity Shares are being offered on a rights basis to Eligible Equity Shareholders in the ratio of 2 Equity Share for every 7 Equity Shares held on the Record Date. For Equity Shares being offered on a rights basis under this Issue, if the shareholding of any of the Eligible Equity Shareholders is less than 7 Equity Shares or not in the multiple of 7 the fractional entitlement of such Eligible Equity Shareholders shall be ignored in the computation of the Rights Entitlement. However, the Eligible Equity Shareholders whose fractional entitlements are being ignored, will be given preferential consideration for the allotment of one additional Equity Share each if they apply for additional Equity Shares over and above their Rights Entitlement, if any.

Further, the Eligible Equity Shareholders holding less than 3 Equity Shares shall have ‘zero’ entitlement in the Issue. Such Eligible Equity Shareholders are entitled to apply for additional Equity Shares and will be given preference in the allotment of one additional Equity Share if, such Eligible Equity Shareholders apply for the additional Equity Shares. However, they cannot renounce the same in favour of third parties and the application forms shall be non-negotiable.

- ***Ranking***

The Rights Equity Shares to be issued and Allotted pursuant to this Issue shall be subject to the provisions of this Letter of Offer, the Rights Entitlement Letter, the 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 LODR 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 Stock Exchanges and the terms and conditions as stipulated in the Allotment advice. The Rights Equity Shares to be issued and Allotted under this Issue, shall rank *pari passu* with the existing Equity Shares, in all respects including dividends.

- ***Listing and trading of the Rights Equity Shares to be issued pursuant to this Issue***

Subject to receipt of the listing and trading approvals, the Rights Equity Shares proposed to be issued on a rights basis shall be listed and admitted for trading on the Stock Exchange. Unless otherwise permitted by the SEBI ICDR Regulations, the Rights Equity 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 Equity Shares will be taken within such period prescribed under the SEBI ICDR Regulations. Our Company has received in-principle approval from the BSE through letter bearing reference number LOD/RIGHT/KS/FIP/442/2025-26 dated July 04, 2025. Our Company will apply to the Stock Exchange for final approvals for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under this Issue will trade after the listing thereof.

For an applicable period, from the Call Record Date, the trading of the Rights Equity Shares would be suspended under the applicable law. The process of corporate action for crediting the fully paid-up Rights Equity 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 under the Call notice for the final Call.

The existing Equity Shares are listed and traded on BSE (Scrip Code: 531126) under the ISIN: INE237C01016. The Rights Equity Shares shall be credited to a temporary ISIN which will be frozen until the receipt of the final listing/ trading approvals from the Stock Exchange. Upon receipt of such listing and trading approvals, the Rights Equity Shares shall be debited from such temporary ISIN and credited to a new ISIN as partly paid-up Equity Shares and thereafter be available for trading and the temporary ISIN shall be permanently deactivated in the depository system of CDSL and NSDL. Further, once these partly-paid up shares are converted into fully paid-up Equity Shares, post-receipt of listing and trading approvals, such partly paid-up Equity Shares shall be debited from its respective ISIN for partly paid equity shares and will be credited to the Company's ISIN for Fully Paid Equity Shares and thereafter be available for trading. The listing and trading of the Rights Equity 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.

In case our Company fails to obtain listing or trading permission from the Stock Exchange, our Company shall refund through verifiable means/unblock the respective ASBA Accounts, the entire monies received/blocked within one Working Day of receipt of intimation from the Stock Exchange, rejecting the application for listing of the Rights Equity Shares, and if any such money is not refunded/unblocked within one Working Day 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 such period, be jointly and severally liable to repay that money with interest at rates prescribed under applicable law.

- ***Subscription to this Issue by our Promoter and members of our Promoter Group***

For details of the intent and extent of subscription by our Promoter and members of our Promoter Group, see "*Summary of Letter of Offer – Intention and extent of participation by our Promoters and Promoter Group with respect to (i) their rights entitlement, (ii) their intention to subscribe over and above their rights entitlement; and (iii) their intention to renounce their rights, to any specific investor(s)*" on page 19.

- ***Rights of Holders of Equity Shares of our Company***

Subject to applicable laws, Equity Shareholders who have been Allotted Rights Equity Shares pursuant to the Issue shall have the following rights:

- (a) The right to receive dividend, if declared;
- (b) The right to receive surplus on liquidation;
- (c) The right to receive offers for rights shares and be allotted bonus shares, if announced;
- (d) The right to free transferability of Rights Equity Shares;
- (e) The right to attend general meetings of our Company and exercise voting powers in accordance with law, unless prohibited / restricted by law and as disclosed in this Letter of Offer; and
- (f) 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.

VII. GENERAL TERMS OF THE ISSUE

- ***Market Lot***
The Equity Shares of our Company shall be tradable only in dematerialized form. The market lot for Equity Shares in dematerialised mode is one Equity Share.
- ***Joint Holders***
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 Equity Shares offered in this Issue.
- ***Nomination***
Nomination facility is available in respect of the Equity 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.

Since the Allotment is in dematerialised form, there is no need to make a separate nomination for the Equity Shares to be Allotted in this Issue. Nominations registered with the respective DPs of the Investors would prevail. Any Investor holding Equity Shares in dematerialised form and desirous of changing the existing nomination is requested to inform its Depository Participant.
- ***Arrangements for Disposal of Odd Lots***
The Equity Shares shall be traded in dematerialised form only and, therefore, the marketable lot shall be one Equity Share and hence, no arrangements for disposal of odd lots are required.
- ***Restrictions on transfer and transmission of shares and on their consolidation/splitting***
There are no restrictions on transfer and transmission and on their consolidation/splitting of shares issued pursuant this Issue. However, the Investors should note that pursuant to the provisions of the SEBI LODR Regulations, with effect from April 1, 2019, except in case of transmission or transposition of securities, the request for transfer of securities shall not be affected unless the securities are held in the dematerialized form with a depository.
- ***Notices***
Our Company will send through email and speed post, Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material only to the Eligible Equity Shareholders who have provided Indian address. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material 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 Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be physically dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Further, the Letter of Offer will be sent/ dispatched to the Eligible Equity Shareholders who have provided their Indian address and who have made a request in this regard.

All notices to the Eligible Equity Shareholders required to be given by our Company shall be published in one English language national daily newspaper with wide circulation and one Hindi language national daily newspaper with wide circulation which is also the regional language of Delhi, where our Registered Office is situated.
The Letter of Offer and the Application Form shall also be submitted with the Stock Exchange for making the same available on their websites.

- **Offer to Non-Resident Eligible Equity Shareholders/Investors**

As per Rule 7 of the FEMA Rules, RBI has given general permission to Indian companies to issue rights equity shares to non-resident equity shareholders including additional rights equity shares. Further, as per the Master Direction on Foreign Investment in India dated January 4, 2018 issued by 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 favour of a person named by them; or (iii) apply for the shares renounced in their favour. Applications received from NRIs and non-residents for allotment of Rights Equity Shares shall be, amongst other things, subject to the conditions imposed from time to time by RBI under FEMA in the matter of Application, refund of Application Money, Allotment of Rights Equity Shares and issue of Rights Entitlement Letters/ letters of Allotment/Allotment advice. If a non-resident or NRI Investor has specific approval from RBI or any other governmental authority, 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 at investor@masserv.com. 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.

The Letter of Offer, the Rights Entitlement Letter and Application Form shall be sent only to the Indian addresses of the non-resident Eligible Equity Shareholders on a reasonable efforts basis, who have provided an Indian address to our Company and located in jurisdictions where the offer and sale of the Rights Equity Shares may be permitted under laws of such jurisdictions. Eligible Equity Shareholders can access the Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) from the websites of the Registrar, our Company, and the Stock Exchanges. Further, Application Forms will be made available at Registered and Corporate Office of our Company for the non-resident Indian Applicants. Our Board may at its absolute discretion, agree to such terms and conditions as may be stipulated by RBI while approving the Allotment. The Rights Equity Shares purchased by non-residents shall be subject to the same conditions including restrictions in regard to the repatriation as are applicable to the original Equity Shares against which Rights Equity Shares are issued on rights basis.

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.

ALLOTMENT OF THE RIGHTS EQUITY SHARES IN DEMATERIALIZED FORM

PLEASE NOTE THAT THE RIGHTS EQUITY 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. FOR DETAILS, SEE “ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS” ON PAGE 92.

VIII. ISSUE SCHEDULE

LAST DATE FOR CREDIT OF RIGHTS ENTITLEMENTS	Friday, July 11, 2025
ISSUE OPENING DATE	Thursday, July 17, 2025
LAST DATE FOR ON MARKET RENUNCIATION OF RIGHTS ENTITLEMENTS	Tuesday, July 22, 2025
LAST DATE FOR OFF MARKET RENUNCIATION OF RIGHTS	Thursday, July 24, 2025

ENTITLEMENTS [#]	
ISSUE CLOSING DATE**	Friday, July 25, 2025
FINALISATION OF BASIS OF ALLOTMENT (ON OR ABOUT)	Monday, July 28, 2025
DATE OF ALLOTMENT (ON OR ABOUT)	Monday, July 28, 2025
DATE OF CREDIT OF RIGHTS EQUITY SHARES (ON OR ABOUT)	Tuesday, July 29, 2025

[#] *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 Renounees on or prior to the Issue Closing Date.*

^{*} *Our Board or the Rights Issue 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). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.*

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 no later than two clear Working Days prior to the Issue Closing Date, *i.e.*, Friday, July 25, 2025 to enable the credit of the Rights Entitlements by way of transfer from the Demat Suspense Account to their respective demat accounts, at least one day before the Issue Closing Date, *i.e.*, Friday, July 25, 2025.

IX. BASIS OF ALLOTMENT

Subject to the provisions contained in the Letter of Offer, the Rights Entitlement Letter, the Application Form, the Articles of Association and the approval of the Designated Stock Exchange, our Board will proceed to Allot the Rights Equity Shares in the following order of priority:

- (a) Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlements of Rights Equity Shares either in full or in part and also to the Renounee(s) who has or have applied for Rights Equity Shares renounced in their favour, in full or in part.
- (b) 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 Equity Share each if they apply for Additional Rights Equity Shares. Allotment under this head shall be considered if there are any unsubscribed Rights Equity Shares after allotment under (a) above. If number of Rights Equity Shares required for Allotment under this head are more than the number of Rights Equity 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.
- (c) Allotment to the Eligible Equity Shareholders who having applied for all the Rights Equity Shares offered to them as part of this Issue, have also applied for Additional Rights Equity Shares. The Allotment of such Additional Rights Equity 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, provided there are any unsubscribed Rights Equity Shares after making full Allotment in (a) and (b) above. The Allotment of such Rights Equity Shares will be at the sole discretion of our Board in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.
- (d) Allotment to Renounees who having applied for all the Rights Equity Shares renounced in their favour, have applied for Additional Rights Equity Shares provided there is surplus available after making full Allotment under (a), (b) and (c) above. The Allotment of such Rights Equity Shares will be made on a proportionate basis having due regard to the number of Rights Entitlement held by them as on Issue Closing Date and in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.
- (e) Allotment to any specific investor(s) disclosed by our Company in terms of the SEBI ICDR Regulations before opening of the Issue, provided there is surplus available after making full Allotment

under (a), (b), (c) and (d) above

After taking into account Allotment to be made under (a) to (e) 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 Equity 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.

X. ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS

Our Company will send/ dispatch Allotment advice, refund intimations, if applicable, or demat credit of securities and/or letters of regret, only to the Eligible Equity Shareholders who have provided Indian address; along with crediting the Allotted Rights Equity Shares to the respective beneficiary accounts (only in dematerialised mode) or in 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 one Working Day from the Issue Closing Date. In case of failure to do so, our Company and our Directors who are "officers in default" shall pay interest at such other rate as specified under applicable law from the expiry of such 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 a mail, to the Indian mail 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, unblocking 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 Rights Equity Shares in the Issue and is Allotted a lesser number of Rights 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 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.

XI. 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 centres specified by RBI, where such facility has been made available. This would be subject to availability of complete bank account details including a Magnetic Ink Character

Recognition (“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 centres where NACH facility has been made available by 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 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 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 favour 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 ASBA Account of the non-resident Applicants, details of which were provided in the Application Form.

XII. ALLOTMENT ADVICE OR DEMAT CREDIT OF SECURITIES

The demat credit of securities to the respective beneficiary accounts will be credited within two days from the Issue Closing Date or such other timeline in accordance with applicable laws.

- **Receipt of the Rights Equity Shares in Dematerialized Form**

PLEASE NOTE THAT THE RIGHTS EQUITY 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 CLEAR WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE BY THE ELIGIBLE EQUITY SHAREHOLDER HOLDING EQUITY SHARES IN PHYSICAL FORM AS ON THE RECORD DATE.

Investors shall be Allotted the Rights Equity Shares in dematerialized (electronic) form. Our Company has entered into agreements with the respective Depositories and the Registrar to the Issue, 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 RIGHTS EQUITY SHARES CAN BE TRADED ON THE STOCK EXCHANGES ONLY IN DEMATERIALIZED FORM.

The procedure for availing the facility for Allotment of Rights Equity Shares in this Issue in the dematerialised 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 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 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 Application Form, the Investor will not get any Rights Equity Shares and the Application Form will be rejected.
5. The Rights Equity Shares will be allotted to Applicants only in dematerialized form and would be directly credited to the beneficiary account as given in the Application Form after verification. Allotment advice, refund order (if any) would be sent through physical dispatch, by the Registrar but the Applicant's depository participant will provide to him the confirmation of the credit of such Rights Equity Shares to the Applicant's depository account.
6. Non-transferable Allotment advice/ refund intimation will be directly sent to the Investors by the Registrar, on their registered email address or through physical dispatch.
7. Renounees will also have to provide the necessary details about their beneficiary account for Allotment of Rights Equity Shares in this Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected.
8. Dividend or other benefits with respect to the Equity Shares held in dematerialized form would be paid to those Equity Shareholders whose names appear in the list of beneficial owners given by the Depository Participant to our Company as on the date of the book closure.
9. Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, and who have not provided the details of their demat accounts to our Company or to the Registrar at least two clear Working Days prior to the Issue Closing Date, shall not be able to apply in this Issue.

XIII. IMPERSONATION

Attention of the Investors is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

“Any person who –

- a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.”*

The liability prescribed under Section 447 of the Companies Act, 2013 for fraud involving an amount of at least ₹0.10 crore or 1% of the turnover of the company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount (provided that where the fraud involves public interest, such term shall not be less than three years.) Further, where the fraud involves an amount less than ₹0.10 crore or one per cent of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to ₹0.50 crore or with both.

XIV. 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) above shall be disclosed, and continue to be disclosed till the time any part of the Issue Proceeds remains unutilised, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; 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.

XV. 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 Stock Exchanges where the Equity Shares are to be listed will be taken by our Board 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 two 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) No further issue of securities shall be made till the Equity Shares offered through this Letter of Offer are listed or till the application monies are refunded on account of non-listing, under subscription, etc., other than as disclosed in accordance with Regulation 97 of SEBI ICDR Regulations.
- 7) Adequate arrangements shall be made to collect all ASBA Applications.
- 8) As on date, our Company does not have any convertible debt instruments.
- 9) Our Company shall comply with such disclosure and accounting norms specified by SEBI from time to time.

XVI. INVESTOR GRIEVANCES, COMMUNICATION AND IMPORTANT LINKS

1. Please read the Letter of Offer carefully before taking any action. The instructions contained in the Application Form, Letter of Offer and the Rights Entitlement Letter are an integral part of the conditions of this Letter of Offer and must be carefully followed; otherwise the Application is liable to be rejected.
2. All enquiries in connection with this Letter of Offer, the Letter of Offer, the Rights Entitlement Letter or Application Form must be addressed (quoting the registered folio number in case of Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date or the DP ID and Client ID number, the Application Form number and the name of the first Eligible Equity Shareholder as mentioned on the Application Form and superscribed “Kati Patang Lifestyle Limited – Rights Issue 2025” on the envelope and postmarked in India) to the Registrar at the following address:

MAS Services Limited

Address - T-34, 2nd Floor, Okhla Industrial Area,

Phase – II, New Delhi-110 020

Tel: +91 11 2638 7281/82/83, +91 11 4132 0335

E-mail: ipo@masserv.com

Investor Grievance ID: investor@masserv.com

Contact Person: Mr. Sharwan Mangla

Website: www.masserv.com

3. In accordance with SEBI ICDR Master Circular, 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.masserv.com. Further, helpline number provided by the Registrar for guidance on the Application process and resolution of difficulties : +91 11 2638 7281/82/83, +91 11 4132 0335.
4. The Investors can visit following link for frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors: www.masserv.com;

This Issue will remain open for a minimum seven days. However, our Board or the Rights Issue 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 Closing Date).

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RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991, of the Government of India and FEMA. While the Industrial Policy, 1991, 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 manner in which such investment may be made. 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. The RBI and the concerned ministries/ departments are responsible for granting approval for foreign investment. The Government has, from time to time, made policy pronouncements on FDI through press notes and press releases. The FDI Policy 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 Policy will be valid until the DPIIT issues an updated circular. Further, the sectoral cap applicable to the sector in which our Company operates is 73% which is permitted under the automatic route

The Government 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 transfer of shares between an Indian resident and a non-resident does not require the prior approval of RBI, provided that (i) 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 Takeover Regulations; (ii) the non- resident shareholding is within the sectoral limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI and RBI. Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020 which came into effect from April 22, 2020, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country (“**Restricted Investors**”), will require prior approval of the Government, as prescribed in the FDI Policy and the FEMA Rules. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government. Furthermore, on April 22, 2020, the Ministry of Finance, Government of India has also made a similar amendment to the FEMA Rules. Pursuant to the Foreign Exchange Management (Non-debt Instruments) (Fourth Amendment) Rules, 2020, a multilateral bank or fund, of which India is a member, shall not be treated as an entity of a particular country nor shall any country be treated as the beneficial owner of the investments of such bank of fund in India. Please also note that pursuant to Circular no. 14 dated September 16, 2003, issued by RBI, Overseas Corporate Bodies (“**OCBs**”) 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 the issue as an incorporated non-resident must do so in accordance with the FDI Policy 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 are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Rights Equity Shares applied for do not exceed the applicable limits under laws or regulations. Investors are cautioned to consider any

amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer.

RESTRICTIONS ON PURCHASES AND REALES

Eligibility and Restrictions

General

No action has been taken or will be taken to permit an offering of the Rights Entitlements or the Rights Equity Shares to occur in any jurisdiction, or the possession, circulation, or distribution of this Letter of Offer or any other Issue Material in any jurisdiction where action for such purpose is required, except that this Letter of Offer will be filed with Stock Exchanges.

Pursuant to the requirements of the SEBI ICDR Regulations and other applicable laws, the Rights Entitlements will be credited to the demat account of the Eligible Equity Shareholders who are Equity Shareholders as on the Record Date, however, the Issue Materials will be sent/ dispatched only to such Eligible Equity Shareholders who have provided an Indian address to our Company and only such Eligible Equity Shareholders are permitted to participate in the Issue. The credit of Rights Entitlement does not constitute an offer, invitation to offer or solicitation for participation in the Issue, whether directly or indirectly, and only dispatch of the Issue Material shall constitute an offer, invitation or solicitation for participation in the Issue in accordance with the terms of the Issue Material. Further, receipt of the Issue Materials (including by way of electronic means) will not constitute an offer, invitation to or solicitation by anyone in (i) the United States or (ii) 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 and any other Issue Materials must be treated as sent for information only and should not be acted upon for subscription to Rights Equity Shares and should not be copied or re-distributed, in part or full. Accordingly, persons receiving a copy of the Issue Materials should not distribute or send the Issue Materials 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 Issue Material is received by any person in any such jurisdiction or the United States, they must not seek to subscribe to the Rights Equity Shares.

The Rights Entitlement and the Rights Equity Shares may not be offered or sold, directly or indirectly, and the Letter of Offer and any other Issue Materials may not be distributed, in whole or in part, in or into in (i) the United States or (ii) any jurisdiction other than India except in accordance with legal requirements applicable in such jurisdiction.

Investors are advised to consult their legal counsel prior to accepting any provisional allotment of Rights Equity Shares, applying for excess Rights Equity Shares or making any offer, renunciation, sale, resale, pledge or other transfer of the Rights Entitlements or the Rights Equity Shares.

This Letter of Offer and its accompanying documents are supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose.

Each person who exercises the Rights Entitlements and subscribes for the Rights Equity Shares, or who purchases the Rights Entitlements or the Rights Equity Shares shall do so in accordance with the restrictions set out above and below.

No offer in the United States

The Rights Entitlements and the Rights Equity Shares have not been, and will not be, registered under the U.S Securities Act and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Rights Equity Shares are only being offered and sold outside the United States in “offshore transactions” as defined in and in reliance on Regulation S under the U.S. Securities Act to Eligible Equity Shareholders located in jurisdictions where such offer and sale is permitted under the laws of such jurisdictions. The offering to which this Letter of Offer

relates is not, and under no circumstances is to be construed as, an offering of any Rights Entitlements or Rights Equity Shares for sale in the United States or as a solicitation therein of an offer to buy any of the said securities. Accordingly, you should not forward or transmit the Letter of Offer into the United States at any time.

Representations, Warranties and Agreements by Purchasers

The Rights Entitlements and the Rights Equity Shares offered outside the United States are being offered in offshore transactions in reliance on Regulation S.

In addition to the applicable representations, warranties and agreements set forth above, each purchaser outside the United States by accepting the delivery of the Letter of Offer and its accompanying documents, submitting an Application Form for the exercise of any Rights Entitlements and subscription for any Rights Equity Shares and accepting delivery of any Rights Entitlements or any Rights Equity Shares, will be deemed to have represented, warranted and agreed as follows on behalf of itself and, if it is acquiring the Rights Entitlements or the Rights Equity Shares as a fiduciary or agent for one or more investor accounts, on behalf of each owner of such account (such person being the “**purchaser**”, which term shall include the owners of the investor accounts on whose behalf the person acts as fiduciary or agent):

1. The purchaser (i) is aware that the Rights Entitlements and the Rights Equity Shares have not been and will not be registered under the U.S. Securities Act and are being distributed and offered outside the United States in reliance on Regulation S, (ii) is, and the persons, if any, for whose account it is acquiring such Rights Entitlements and/or the Rights Equity Shares are, outside the United States and eligible to subscribe for Rights Entitlements and Rights Equity Shares in compliance with applicable securities laws, and (iii) is acquiring the Rights Entitlements and/or the Rights Equity Shares in an offshore transaction meeting the requirements of Regulation S.
2. No offer or sale of the Rights Entitlements or the Rights Equity Shares to the purchaser is the result of any “directed selling efforts” in the United States (as such term is defined in Regulation S under the U.S. Securities Act).
3. The purchaser is, and the persons, if any, for whose account it is acquiring the Rights Entitlements and the Rights Equity Shares are, entitled to subscribe for the Rights Equity Shares, and the sale of the Rights Equity Shares to it will not require any filing or registration by, or qualification of, our Company with any court or administrative, governmental or regulatory agency or body, under the laws of any jurisdiction which apply to the purchaser or such persons.
4. The purchaser, and each account for which it is acting, satisfies (i) all suitability standards for investors in investments in the Rights Entitlements and the Rights Equity Shares imposed by the jurisdiction of its residence, and (ii) is eligible to subscribe and is subscribing for the Rights Equity Shares and Rights Entitlements in compliance with applicable securities and other laws of our jurisdiction of residence.
5. The purchaser has the full power and authority to make the acknowledgements, representations, warranties and agreements contained herein and to exercise the Rights Entitlements and subscribe for the Rights Equity Shares, and, if the purchaser is exercising the Rights Entitlements and acquiring the Rights Equity Shares as a fiduciary or agent for one or more investor accounts, the purchaser has the full power and authority to make the acknowledgements, representations, warranties and agreements contained herein and to exercise the Rights Entitlements and subscribe for the Rights Equity Shares on behalf of each owner of such account.
6. If any Rights Entitlements were bought by the purchaser or otherwise transferred to the purchaser by a third party (other than our Company), the purchaser was in India at the time of such purchase or transfer.
7. The purchaser is aware and understands (and each account for which it is acting has been advised and understands) that an investment in the Rights Entitlements and the Rights Equity Shares involves a considerable degree of risk and that the Rights Entitlements and the Rights Equity Shares are a speculative investment.

8. The purchaser understands (and each account for which it is acting has been advised and understands) that no action has been or will be taken to permit an offering of the Rights Entitlements or the Rights Equity Shares in any jurisdiction (other than the filing of this Letter of Offer with the Stock Exchanges); and it will not offer, resell, pledge or otherwise transfer any of the Rights Entitlements except in India or the Rights Equity Shares which it may acquire, or any beneficial interests therein, in any jurisdiction or in any circumstances in which such offer or sale is not authorised or to any person to whom it is unlawful to make such offer, sale, solicitation or invitation except under circumstances that will result in compliance with any applicable laws and/or regulations.
9. The purchaser (or any account for which it is acting) is an Eligible Equity Shareholder and has received an invitation from our Company, addressed to it and inviting it to participate in this Issue.
10. None of the purchaser, any of its affiliates or any person acting on its or their behalf has taken or will take, directly or indirectly, any action designed to, or which might be expected to, cause or result in the stabilization or manipulation of the price of any security of our Company to facilitate the sale or resale of the Rights Entitlements or the Rights Equity Shares pursuant to the Issue.
11. Prior to making any investment decision to exercise the Rights Entitlements and renounce and/or subscribe for the Rights Equity Shares, the Investor (i) will have consulted with its own legal, regulatory, tax, business, investment, financial and accounting advisers in each jurisdiction in connection herewith to the extent it has deemed necessary; (ii) will have carefully read and reviewed a copy of the Letter of Offer and its accompanying documents; (iii) will have possessed and carefully read and reviewed all information relating to our Company and our Group and the Rights Entitlements and the Rights Equity Shares which it believes is necessary or appropriate for the purpose of making its investment decision, including, without limitation, the Exchange Information (as defined below); (iv) will have conducted its own due diligence on our Company and this Issue, and will have made its own investment decisions based upon its own judgement, due diligence and advice from such advisers as it has deemed necessary and will not have relied upon any recommendation, promise, representation or warranty of or view expressed by or on behalf of our Company (other than, with respect to our Company and any information contained in the Letter of Offer); and (v) will have made its own determination that any investment decision to exercise the Rights Entitlements and subscribe for the Rights Equity Shares is suitable and appropriate, both in the nature and number of Rights Equity Shares being subscribed.
12. Without limiting the generality of the foregoing, (i) the purchaser acknowledges that the Equity Shares are listed on BSE Limited, and our Company is therefore required to publish certain business, financial and other information in accordance with the rules and practices of BSE Limited, (which includes, but is not limited to, a description of the nature of our Company's business and our Company's most recent balance sheet and profit and loss account, and similar statements for preceding years together with the information on its website and its press releases, announcements, investor education presentations, annual reports, collectively constitutes "**Exchange Information**"), and that it has had access to such information without undue difficulty and has reviewed such Exchange Information as it has deemed necessary; and (ii) none of our Company, any of its affiliates has made any representations or recommendations to it, express or implied, with respect to our Company, the Rights Entitlements, the Rights Equity Shares or the accuracy, completeness or adequacy of the Exchange Information.
13. The purchaser acknowledges that (i) any information that it has received or will receive relating to or in connection with this Issue, and the Rights Entitlements or the Rights Equity Shares, including this Letter of Offer and the Exchange Information (collectively, the "**Information**"), has been prepared solely by our Company.
14. The purchaser will not hold our Company responsible for any misstatements in or omissions to the Information or in any other written or oral information provided by our Company to it.
15. The purchaser understands that its receipt of the Rights Entitlements and any subscription it may make for the Rights Equity Shares will be subject to and based upon all the terms, conditions, representations, warranties, acknowledgements, agreements and undertakings and other information contained in this Letter of Offer and the Application Form. The purchaser understands that none of our Company, the Registrar, or any other person acting on behalf of us will accept subscriptions from any person, or the agent of any person, who appears to be, or who we, the Registrar or any other person acting on behalf of us have reason to believe is in the United States,

or is ineligible to participate in this Issue under applicable securities laws.

16. The purchaser subscribed to the Rights Equity Shares for investment purposes and not with a view to the distribution or resale thereof. If in the future the purchaser decides to offer, sell, pledge or otherwise transfer any of the Rights Equity Shares, the purchaser shall only offer, sell, pledge or otherwise transfer such Rights Equity Shares (i) outside the United States in a transaction complying with Rule 903 or Rule 904 of Regulation S and in accordance with all applicable laws of any other jurisdiction, including India or (ii) in the United States pursuant to an exemption from the registration requirements of the Securities Act and applicable state securities laws.
17. The purchaser is, and the persons, if any, for whose account it is acquiring the Rights Entitlements and the Rights Equity Shares are, entitled to subscribe for the Rights Equity Shares.
18. If the purchaser is outside India, the sale of the Rights Equity Shares to it will not require any filing or registration by, or qualification of, our Company with any court or administrative, governmental or regulatory agency or body, under the laws of any jurisdiction which apply to the purchaser or such persons.
19. If the purchaser is outside India, the purchaser, and each account for which it is acting, satisfies (i) all suitability standards for investors in investments in the Rights Entitlements and the Rights Equity Shares imposed by all jurisdictions applicable to it, and (ii) is eligible to subscribe and is subscribing for the Rights Equity Shares and Rights Entitlements in compliance with applicable securities and other laws of all jurisdictions of residence.
20. The purchaser is authorized to consummate the purchase of the Rights Equity Shares sold pursuant to this Issue in compliance with all applicable laws and regulations.
21. Except for the sale of Rights Equity Shares on one or more of the Stock Exchanges, the purchaser agrees, upon a proposed transfer of the Rights Equity Shares, to notify any purchaser of such Equity Shares or the executing broker, as applicable, of any transfer restrictions that are applicable to the Rights Equity Shares being sold.
22. The purchaser shall hold our Company harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of its representations, warranties or agreements set forth above and elsewhere in this Letter of Offer. The indemnity set forth in this paragraph shall survive the resale of the Rights Equity Shares.
23. The purchaser acknowledges that our Company, their affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

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SECTION VIII - OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Letter of Offer) which are or may be deemed material have been entered or are to be entered into by our Company. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office and Corporate Office between 10 a.m. and 5 p.m. on all working days and will also be available on the website of our Company from the date of the Letter of Offer until the Issue Closing Date.

Material Contracts for the Issue

- (i) Registrar Agreement dated June 27, 2025 entered into amongst our Company and the Registrar to the Issue.
- (ii) Banker to Issue Agreement dated July 07, 2025, amongst our Company, the Registrar to the Issue, and the Bankers to the Issue.
- (iii) Monitoring Agency Agreement dated June 27, 2025 amongst our Company and the Monitoring Agency.

Material Documents

- (i) Certified copies of the updated Memorandum of Association and Articles of Association of our Company as amended from time to time.
- (ii) Resolution of the Board of Directors dated June 27, 2025, in relation to the Issue.
- (iii) Resolution of our Board of Directors dated Friday, July 4, 2025, finalizing the terms of the Issue including the Rights Entitlement Ratio.
- (iv) Resolution of our Board of Directors dated Friday, July 4, 2025, fixing the Record Date.
- (v) Consent of our Directors, Company Secretary and Compliance Officer, Statutory Auditor, the Registrar to the Issue for inclusion of their names in the Letter of Offer in their respective capacities.
- (vi) Statement of Tax Benefits dated June 27, 2025, from the Statutory Auditor included in this Letter of Offer.
- (vii) In principle listing approval dated Friday, July 4, 2025, issued by BSE.

Any of the contracts or documents mentioned in this 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 reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

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DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, the SEBI Act, or the rules made thereunder or regulations issued thereunder, as the case may be. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Gokul Naresh Tandan
Managing Director

Date: July 08, 2025
Place: New Delhi

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, the SEBI Act, or the rules made thereunder or regulations issued thereunder, as the case may be. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Vikram Grover
Director

Date: July 08, 2025
Place: Faridabad, Haryana

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, the SEBI Act, or the rules made thereunder or regulations issued thereunder, as the case may be. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Rajendra Virupaksha Kulkarni
Director

Date: July 08, 2025
Place: New Delhi

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, the SEBI Act, or the rules made thereunder or regulations issued thereunder, as the case may be. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Sanjay Jain
Director

Date: July 08, 2025
Place: New Delhi

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, the SEBI Act, or the rules made thereunder or regulations issued thereunder, as the case may be. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Shantanu Upadhyay
Director

Date: July 08, 2025

Place: New Delhi

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, the SEBI Act, or the rules made thereunder or regulations issued thereunder, as the case may be. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Geeta Singh
Director

Date: July 08, 2025

Place: Faridabad, Haryana

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, the SEBI Act, or the rules made thereunder or regulations issued thereunder, as the case may be. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Athar Ahmad
(Chief Financial Officer)

Date: July 08, 2025
Place: New Delhi

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, the SEBI Act, or the rules made thereunder or regulations issued thereunder, as the case may be. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Sanjeev Kumar Jha
(Company Secretary)

Date: July 08, 2025

Place: New Delhi