



CIN No.: U74900MH2013PLC244717

Aakaar Medical Technologies Limited
(formerly: Aakaar Medical Technologies Pvt.Ltd.)
A-801, Heritage Plaza, Teli Gali Cross Road
Andheri (East), Mumbai – 400 069 INDIA
Mob: + 91 9820317468
E-mail: info@akaarmedical.in
www.akaarmedical.in
GST No: 27AALCA7587Q1ZK

Date: June 12, 2025

To:

Indorient Financial Services Limited
B/805, Rustomjee Central Park,
Andheri Kurla Road, Chakala,
Mumbai – 400093, Maharashtra, India

Dear Sir(s),

Re: Proposed Initial Public Offering of equity shares of Rs. 10 [Rupees Ten Only] each (“Equity Shares”) by Aakaar Medical Technologies Limited (“Company”) (the “Issue” or “IPO”)

Sub: Objects of the Issue

This is to certify that the “Objects of the Issue” in relation to the IPO, as better detailed in ‘**Annexure A**’ hereto, contains details which are true, fair and correct and accordingly may be incorporated in the Red Herring Prospectus intended to be filed by the Company with NSE Emerge, and the Red Herring Prospectus and the Prospectus intended to be filed by the Company with NSE Emerge and the Registrar of Companies, Mumbai (“**RoC**”), with respect to the said IPO.

We confirm that the main object clause of the memorandum of association and objects incidental to the main objects of the Company enable the Company to undertake its present activities as well as activities for which the funds are being raised by way of the IPO.

We hereby certify that the amount for general corporate purposes, as mentioned in the annexed “Objects of the Issue”, will not exceed fifteen per cent of the aggregate amount raised by the Company by issuance of the Equity Shares pursuant to the IPO.

We confirm that any changes to the above will immediately be intimated to the Book Running Lead Managers to the IPO, till the date on which the securities of the Company to be issued pursuant to the IPO, start trading on NSE Emerge. In the absence of any communication from us, you may assume that there is no change in respect of the matters covered in this certificate.

We confirm that no loan repayment will be done to Promoter, Promoter Group or any related party, from the issue proceeds, whether directly or indirectly from the objects of the Issue.

This certificate may be relied upon by the legal advisor and the Book Running Lead Managers in relation to the IPO. All capitalized terms used herein and not specifically defined shall have the same meaning as ascribed to them in the IPO related issue documents.

We hereby indemnify and keep indemnified, saved, defended and harmless the Book Running Lead Managers and Legal Advisor to the proposed IPO of the Company and all persons claiming under them (“**Indemnified Persons**”), from and against all losses and/or damages arising as a result of the aforementioned representations made by me/us in order to disclose details of the same in the Red Herring Prospectus, the Prospectus, the Abridged Prospectus and any other addendum thereto (together referred as “**Issue Documents**”) for the Issue or arising as a result of any notices, proceedings, litigations, claims, penalties, demands and costs that may be made and/or raised on the Indemnified Persons by any concerned authority(ies) and/or with regard to any matter arising in connection thereto or otherwise by reason of the matter contemplated herein and/or sustained by the Book Running Lead Managers and/or Legal Advisor to the Issue as a result of any statements, representations, assurances, confirmations hereinunder given being untrue.

Yours sincerely,



CIN No.: U74900MH2013PLC244717

Aakaar Medical Technologies Limited
(formerly: Aakaar Medical Technologies Pvt.Ltd.)
A-801, Heritage Plaza, Teli Gali Cross Road
Andheri (East), Mumbai – 400 069 INDIA
Mob: + 91 9820317468
E-mail: info@akaarmedical.in
www.akaarmedical.in
GST No: 27AALCA7587Q1ZK

For and on behalf of Aakaar Medical Technologies Limited

Dilip Ramesh Meswani
Founder & Managing Director
DIN: 06540985
Place: Mumbai



C.C:
Legal Advisor to the Issue
Vidhigya Associates
A-105, Kanara Business Centre, Link Road,
Laxmi Nagar, Ghatkopr East, Mumbai -400075
Email: rahul@vidhigyaassociates.com
Mobile: +91 8424030160,

Encl: Annexure A

OBJECTS OF THE ISSUE

The Issue comprises of a Fresh Issue of up to 37,50,400 Equity Shares of face value of ₹ 10/- each aggregating up to ₹ [●] lakhs

Fresh Issue

The net proceeds of the Fresh Issue, i.e., gross proceeds of the Fresh Issue less the Issue related expenses ("Net Proceeds") are proposed to be utilized in the following manner:

Funding working capital requirements of our Company;
General corporate purposes.
(collectively, the "Objects").

Proceeds of the Issue

The details of the Net Proceeds of the Fresh Issue are set out below:

Particulars	Estimated Amount (in ₹ Lakhs)
Gross proceeds of the Fresh Issue	[●]
(Less) Issue-related expenses in relation to the Fresh Issue(1)(2)	[●]
Net Proceeds(2)	[●]

The Issue related expenses shall vary depending upon the final issue size and the allotment of Equity Shares. For further details, please refer to heading titled 'Issue Related Expenses' on page number [●] of the RHP. To be finalized upon determination of the Issue Price and updated in the Prospectus prior to filing with the ROC.

Utilization of Net Proceeds

Our Company proposes to utilize the Net Proceeds towards the following objects:

S. No.	Particulars	Estimated Amount(1) (in ₹ Lakhs)
	Funding working capital requirements of our Company	2,035.00
	General corporate purposes(1)	[●]
	Net Proceeds	[●]

(1)To be finalized upon determination of the Issue Price and updated in the Prospectus prior to filing with the ROC. The amount utilized for general corporate purposes shall not exceed 15% of the Gross Proceeds or ₹10 crore, whichever is lower.

In addition to the aforementioned Objects, our Company expects to receive the benefits of listing of the Equity Shares on the Emerge platform of NSE, including among things, the enhancement of our Company's brand name and creation of a public market in India for our Equity shares.

The main objects and objects incidental and ancillary to the main objects clause of our Memorandum of Association enable our Company to: (i) undertake the existing business activities; and (ii) undertake the activities proposed to be funded from the Net Proceeds. Further, we confirm that the activities which we have been carrying out till date are in accordance with the objects clause of our Memorandum of Association.

Proposed schedule of implementation and deployment of Net Proceeds

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



Particulars	Amount to be funded from Net Proceeds (1)	Estimated schedule of deployment of Net Proceeds in	
		Financial Year 2026 (in ₹ Lakhs)	Financial Year 2027 (in ₹ Lakhs)
Funding working capital requirements of our Company	2,035.00	935.00	1,100.00
General corporate purposes(1)	[•]	[•]	[•]
Net Proceeds	[•]	[•]	[•]

To be finalized upon determination of the Issue Price and updated in the Prospectus prior to filing with the ROC. In compliance of SEBI ICDR, The amount utilized for general corporate purposes shall not exceed 15% of the Gross Proceed or INR 10 crores, whichever is lower

The fund requirement, the proposed schedule of implementation and the intended use of the Net Proceeds as set-out above are based on our current business plans, management estimates of future growth projections, vendor quotations, current circumstances of our business and prevailing market conditions, which are subject to change. Further, the fund requirement and proposed deployment of funds described herein have not been appraised by any bank or financial institution. For details, please refer Risk Factor “Our Company intends to utilise a portion of the Net Proceeds of the Issue towards the working capital requirements of our Company which are based on certain assumptions and estimates and has not been appraised by any bank or financial institution” on page **Error! Bookmark not defined..**

We may have to revise our funding requirements and deployment from time to time on account of various factors, such as, financial and market conditions, competition, business and strategy, negotiation with lenders and our vendors, interest/exchange rate fluctuations and other external factors, which may not be within the control of our management. This may entail rescheduling or revising the proposed utilisation of the Net Proceeds and changing the allocation of funds from its planned allocation including the expenditure for a particular purpose at the discretion of our management, subject to compliance with applicable law. For details, please refer Risk Factor “Any variation in the utilisation of the Net Proceeds would be subject to certain compliance requirements, including prior shareholders’ approval”, on page **Error! Bookmark not defined..**

We propose to deploy the entire Net Proceeds towards the Objects during Financial Year 2026 and 2027. However, if the Net Proceeds are not completely utilised for the objects stated above by the end of the above-mentioned period, such amounts will be utilised (in part or full) in subsequent periods, as determined by us, in accordance with applicable law.

Means of finance

We intend to finance the Objects from the Net Proceeds. Accordingly, we confirm that we are in compliance with the requirements prescribed under Paragraph 9(C)(1) of Part A of Schedule VI and Regulation 230(1)(e) of the SEBI ICDR Regulations and there is no requirement for us to make firm arrangements of finance through verifiable means towards 75% of the stated means of finance for the project, excluding the amount to be raised through the Issue and existing identifiable internal accruals. In case of shortfall in the Net Proceeds or any increase in the actual utilisation of funds earmarked for the Objects, our Company may explore a range of options including utilising our internal accruals and/ or availing further borrowings. Further, if the actual utilisation towards any of the objects is lower than the proposed deployment, such balance will be used for funding other objects as mentioned above or towards general corporate purposes to the extent that the total amount to be utilised towards general corporate purposes will not exceed 15% of the Gross Proceeds or ₹10 crore, whichever is lower from the Fresh Issue in accordance with the SEBI ICDR Regulations.

Details of the Objects



Our Board at its meeting held on June 14, 2025, approved the proposed objects of the Issue and the respective amounts proposed to be utilized from the Net Proceeds for each object.

Funding working capital requirements of our Company

Our Company funds majority of its working capital requirements in the ordinary course of business from financing availed from banks and internal accruals as of today. Our Company proposes to utilise ₹ 2,035.00 Lakh from the Net Proceeds towards funding our Company's incremental working capital requirements. As on April 30, 2025, our total outstanding indebtedness in respect of our working capital facilities from secured lenders was ₹ 1,952.00 Lakhs. For further details of the working capital facilities currently availed by our Company, see "Financial Indebtedness" and "Restated Financial Statements" on pages **Error! Bookmark not defined.** and **Error! Bookmark not defined.**, respectively. Further, for risks in relation to use of the Net Proceeds for funding working capital gap of our Company, see "Risk Factors— Our Company requires significant amount of working capital for a continuing growth. Our inability to meet our working capital requirements may adversely affect our results of operations." on page **Error! Bookmark not defined.**

Existing & Estimated working capital requirement

The details of our Company's working capital as of March 31, 2025, March 31, 2024 & March 31, 2023, its projected working capital for Financial Year 2026 & Financial Year 2027 and source of funding are set forth below(1)

(₹ in Lakhs)

Particulars	Financial Year 2022- 23	Financial Year 2023- 24	Financial Year 2024-25	Financial Year 2025- 26	Financial Year 2026- 27
	Restated	Restated	Restated	Estimated	Estimated
Current Assets					
Inventories	1,125.33	1,417.94	1,455.43	2,337.99	2,588.01
Trade Receivables	1,023.32	1,626.25	2,800.45	2,885.04	3,814.52
Short Term Loans & Advances	0.00	0.00	13.98	0.00	0.00
Other Current Assets	54.60	206.62	360.53	494.83	647.19
Total (I)	2,203.25	3,250.81	4,630.39	5,717.86	7,049.72
Current Liabilities					
Trade Payables	252.98	181.69	351.16	381.71	431.33
Other Current Liabilities	416.72	292.56	284.11	340.24	439.48
Short Term Provisions	33.44	83.80	86.55	105.73	135.84
Total (II)	703.14	558.05	721.82	827.68	1,006.66
Net Working Capital (I) – (II)	1,500.11	2,692.76	3,908.57	4,890.18	6,043.06
Internal Accruals/ Existing Net Worth	1000.11	1,392.76	1,708.57	1,755.18	2,743.16
Total Borrowings	5,00.00	1,300.00	2,200.00	2,200.00	2,200.00
IPO Proceeds	-	-	-	935.00	1,100.00



Working capital requirement is calculated based on statement of assets and liabilities as on particular date. Utilization of working capital disclosed in the table is based on closing balances. Company is expecting utilization of ₹ 935.00 lakhs in Financial Year 2026 and remaining amount i.e. ₹ 1100.00 lakhs (₹ 2035.00 Lakhs reduced by previous year utilized amount, ₹ 935.00 lakhs) in Financial Year 2027.

As certified by the Statutory Auditors pursuant to their certificate dated June 14, 2025, and as approved by the Board pursuant to the resolution passed by the Company in its separate Board Meeting and Audit Committee meeting dated June 14, 2025.

WORKING CAPITAL RATIONALE FOR THE Financial Year 2023, Financial Year 2024 & Financial Year 2025

The Company's working capital requirement has been on the rise YOY which is primarily driven by the following factors:

Increase in revenue

Particulars	Financial Year 2024-25	Financial Year 2023-24	Financial Year 2023-22	CAGR
Total Revenue from Operations in ₹ Lakhs	6,158.28	4,611.10	3,278.46	37.05%
Number of Customers billed	5236	5205	4507	7.78%
Number of Sales Executives	129	128	88	21.07%

As seen from the CAGR from Financial Year 2022-23 to Financial Year 2024-25, the Company has had a healthy CAGR in its revenue with one of the key factors being increase in the client base. This has been driven by the sales executives of the Company which can be seen to have increased at a CAGR 21.07% from 88 executives to 129 executives on payroll. Increasing revenues has in-turn led to higher debtor outstanding and incremental working capital requirements.

Inventory of Aesthetic Devices and Spare Parts - Stock store up for anticipated future demand or to mitigate supply disruptions.

Note on the Aesthetic Devices Inventory

Aesthetic devices are generally higher value products. Buyers may need more time to understand the benefits, features, and risks associated with a device before making a purchase. Additionally, ongoing customer education on the results and benefits of the devices is often necessary which takes time among the customers. Some aesthetic devices also must be kept as demo devices as prospective buyers need to understand the device's functionality and benefits via demonstrations, training sessions etc. We generally do a demo session at the clients place which ranges anywhere between 1-3 days prior to selling the machines. As of 31st March 2025, we have INR 69.55 Lakhs worth of Inventory in the form of demo devices which is also impacting our inventory levels.

Above leads to these devices being part of the inventory for a longer term. If we project the demand for some machines to mature in the market, we will sell them at competitive prices in the market.

Note on the Spare Parts Inventory

Stocking spare parts is standard practice in industries where device reliability is crucial like in our business. Therefore we must maintain inventory of spare parts of the aesthetic devices sold by them as a critical aspect of customer service, operational efficiency, and trust-building. Devices at the client place may experience unexpected breakdowns, and immediate availability of spare parts helps clients resume operations without significant delays which is critical at aesthetic clinics. By stocking spare parts, we are supporting our clients



even after the sale is completed as these are the same clients who are purchase products from us. This leads to certain spare parts being kept as part of our inventory for a longer period also as part of our normal course of the business.

Below is the break-up of as of 31st March 2025 along with days for which the inventory is outstanding which highlights higher inventory of spare parts and Aesthetic Devices more than 365 days:-

(₹ in lakhs)

Days Outstanding	0-30	30-90	90-180	180-270	270-365	365 & Above	TOTAL
Consumable	11.05	380.55	192.24	70.31	50.52	109.92	814.59
System	1.62	1.36	87.85	28.74	33.99	264.19	417.76
Spare Parts	0.03	2.08	10.65	8.43	10.22	191.66	223.07
TOTAL	12.71	384.00	290.75	107.49	94.72	565.76	1,455.43

Ageing of Trade Receivables – Top 10 Debtors as at March 31,2025

As on March 31, 2025, our trade receivables ageing is as below :-

(in ₹ Lakhs)

Particulars	Total Outstanding	Less than 6 months	6-12 months	12-24 months	24-36 months	36 months and above
Debtors as at March 31, 2025	2,800.45	2,188.56	379.22	129.37	38.81	64.50

As on March 31, 2025 our receivables ageing for Top 10 debtors is given below :-

(₹ in lakhs)

Particulars	Total Outstanding	Less than 6 months	6-12 months	12-24 months	24-36 months	36 months and above
Debtor 1	131.91	131.91	-	-	-	-
Debtor 2	124.77	124.77	-	-	-	-
Debtor 3	120.14	120.14	-	-	-	-
Debtor 4	88.79	17.94	70.84	-	-	-
Debtor 5	67.97	67.97	-	-	-	-
Debtor 6	58.20	58.20	-	-	-	-
Debtor 7	57.68	57.68	-	-	-	-
Debtor 8	54.88	54.88	-	-	-	-
Debtor 9	51.46	36.77	14.69	-	-	-
Debtor 10	50.21	42.77	7.44	-	-	-
TOTAL	806.01	713.03	92.98	-	-	-
Total O/S as at March 31, 2025	2,800.45					
% of Top 10 Debtors	28.78					

The above trade receivables are considered good and recoverable & they include Doctors as well as stockists/distributors through whom we supply our products.

Ageing of Trades Payable and Top 10 Creditors as at March 31,2025

As on March 31, 2025, our trades payable ageing is as below

Particulars	Total Outstanding	Less than 1 year	12-24 months	24-36 months	36 months and above
-------------	-------------------	------------------	--------------	--------------	---------------------



Creditors as of March 31, 2025	351.16	328.35	2.81	17.82	2.81
--------------------------------	--------	--------	------	-------	------

As on March 31, 2025 our trades payable ageing for Top 10 creditors is given below :

(₹ in lakhs)

Particulars	Total Outstanding	Less than 1 year	12-24 months	24-36 months	36 months and above
Creditor 1	128.24	128.24	0.00	0.00	0.00
Creditor 2	102.31	102.31	0.00	0.00	0.00
Creditor 3	29.63	29.63	0.00	0.00	0.00
Creditor 4	22.83	22.83	0.00	0.00	0.00
Creditor 5	12.18	12.18	0.00	0.00	0.00
Creditor 6	9.57	0.01	0.03	9.53	0.00
Creditor 7	9.45	9.45	0.00	0.00	0.00
Creditor 8	4.61	0.00	0.00	4.61	0.00
Creditor 9	3.37	0.00	0.00	1.62	1.76
Creditor 10	3.36	3.36	0.00	0.00	0.00
TOTAL	325.55	308.01	0.03	15.76	1.76
Total O/S as at March 31, 2025	351.16				
% age of Top 10 Creditors	92.70				

Assumptions for working capital requirements (Holding Days):

Particulars	(in days)				
	Financial Year 2022-2023	Financial Year 2023-2024	Financial Year 2024-2025	Financial Year 2025-2026	Financial Year 2026-2027
	Restated	Restated	Restated	Projected	Projected
Current Assets					
Inventories	222	222	200	199	200
Trade Receivables	88	105	131	128	114
Other Current Assets	17	10	17	19	19
Short term loans and advances	0	0	0.41	0	0
Total (I)*	327	337	348	346	333
Current Liabilities					
Trade Payables	50	38	37	38	33
Other Current Liabilities	49	31	20	17	16
Short Term Provisions	4	5	6	5	5
Total (II)*	104	75	63	61	54
Net Working Capital	223	262	285	286	279



Particulars	Financial Year 2022-2023	Financial Year 2023-2024	Financial Year 2024-2025	Financial Year 2025-2026	Financial Year 2026-2027
	Restated	Restated	Restated	Projected	Projected

(I) – (II)

*Total days rounded off to the nearest multiple

Pursuant to the certificate dated June 14, 2025 issued by Statutory Auditors of the Company, have complied and confirmed the working capital estimates, as approved by the Board pursuant to the resolution passed by the Company in its separate Board Meeting and Audit Committee meeting dated June 14, 2025.

Note

Holding period level (in days) of Inventories is calculated by dividing average inventories for the current and previous period by cost of goods sold (including raw material consumed, and change in inventories) multiplied by number of days in the year/period.

Holding period level (in days) of Trade Receivables is calculated by dividing average trade receivables for the current and previous period by revenue from operations multiplied by number of days in the year/period.

Holding period level (in days) of Other Current Assets is calculated by dividing average other current assets for the current and previous period by revenue from operations multiplied by number of days in the year/period.

Holding period level (in days) of Trade Payables is calculated by dividing average trade payables for the current and previous period by sum of Cost of Goods Sold, and change in inventories multiplied by number of days in the year/period.

Holding period level (in days) of Other current liabilities days is calculated by dividing average of other current liabilities for the current and previous period / total expenditure for the current period multiplied by number of days in the year/period.

Holding period level (in days) of Short term Provisions is calculated by dividing average of short term provisions for the current and previous period / total expenditure for the current period multiplied by number of days in the year/period.

JUSTIFICATION FOR WORKING CAPITAL LEVELS

For a company like ours selling aesthetic products to dermatology clinics, maintaining an adequate working capital requirement is essential to ensure smooth operations.

Particulars	Assumptions and justifications
Current assets	
Inventory	We need to maintain an inventory of aesthetic products (e.g., injectables, skincare products, etc.) to supply to dermatology clinics where the demands can be pressing from the clinics and timely delivery plays a key role for customer satisfaction. We also need maintain certain demo devices in our inventory for prospective buyers Inventory consists of aesthetic products, aesthetic devices & spare parts of devices. Total inventory is expected to increase in line with the projected business activity in the Financial Year 2026 & Financial Year 2027. Company's inventory days were at 222 days in Financial Year 2022-23, 222 days in Financial Year 2023-24 & 200 days in FY 2024-25. The Company is anticipating Inventory days at similar levels of 199 days for Financial Year 2025-26 & 200 days for Financial Year 2026-27 and 201 days for Financial Year 2026-27 respectively. Also refer Point 1.1 "WORKING CAPITAL RATIONALE FOR THE Financial Year 2023, Financial Year 2024 & Financial Year 25" on page 4 of this DRHP.
Trade receivables	Trade receivables are amount owed to Company by customers following sale



Particulars

Assumptions and justifications

of goods and services on credit. Dermatology clinics, especially smaller or independent ones, need to manage cash flows due to the uneven nature of patient visits, seasonal demand, or high overhead costs (rent, salaries, equipment maintenance). We provide payment terms of 120-140 days to long term customers with no history of bad debts to maintain healthy relationships with them. Better payment terms provide more flexibility in managing income and outflows, ensuring that the customer(clinic) has enough funds to cover operational costs. The Company's trade receivables days for Financial Year 2023, 2024 & 2025 were 88 days, 105 days and 131 days. The increase in trade receivables was attributable to increase in the total revenue over the last 3 years. The Company is expecting the trade receivables levels to stabilise gradually over the next two years to be at 128 days for Financial Year 2025-26 & 114 days for Financial Year 2026-27. Also refer Point 1.1 "WORKING CAPITAL RATIONALE FOR THE Financial Year 2023, Financial Year 2024 & Financial Year 25" on page 4 of this DRHP.

Other current assets

The category of "Other Current Assets" primarily includes Advances to suppliers, Prepaid Expenses, balance with government authorities, balance with CSA agent and other similar assets. Currently certain select vendors from whom we import our products are taking 40-50% advance and we also provide some advance to our local manufacturers to purchase raw materials etc. Some balances also remain with the CSA agent which are already received from customers but remaining with the CSA agent as on particular date. The other current assets days were 17 days in Financial Year 2023, 10 days in Financial Year 2024 & 17 days for March 2025. We expect the same trend to continue going forward with the days to remain at 19 days for Financial Year 2026 & Financial Year 2027.

Current liabilities

Trade payables

Trade payables are amount to be paid to suppliers by company following purchase of products/materials/services from supplier on credit. The Company had maintained trade payable days of 50 days in Financial Year 2022-23, 38 days in Financial Year 2023-24 and 37 days in Financial Year 2024-25. The trade payables days have marginally reduced from Financial Year 2022-23 primarily due to our ability to make faster payments with higher sanction limits from the banks which also helps us to get better pricing and improve relationships with long term vendors as well as the new MSME payment rules by the Government which leads to faster payment to our MSME vendors. We expect the trades payables to be maintained at similar levels as Financial Year 2025 in the next 2 years with 38 days in Financial Year 2026 & 33 days in Financial Year 2027.

Below is a Break-up of Dues payable to MSME & Other Creditors which highlights reduction in outstanding dues to MSME in March 2025 :-
(₹ in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
Dues to MSME	3.11	37.61	34.75
Dues to Others	348.05	144.08	218.23
Total Trades Payables	351.16	181.69	252.98

Other liabilities

current

The category of "Other current liabilities" primarily includes items such as Advance from Customers, Salary Payable, Statutory dues and other similar obligations. The Company receives advances majorly from customers who purchase aesthetic devices. With the revenue share from Aesthetic devices reducing from 28.17% in Financial Year 2023 to 13.88% in Financial Year



Particulars	Assumptions and justifications
	2025 (also refer the Business Chapter "Business Overview" section on Page Error! Bookmark not defined. of the DRHP) the advances from customers have gone down over the years thus reducing the other current liability days from 49 days in Financial Year 2023 to 20 days in Financial Year 2025. To align with the projected business activity, the Company has projected the level of other current liabilities 16-17 days for the Financial Years 2026 & 2027.
Short term provisions	The category of "Short term provisions" primarily includes items such as Provision for taxation, gratuity & tax. To align with the projected business activity, the Company has projected the level of other current liabilities 5-7 days for the Financial Years 2026 and 2027.

General corporate purposes

We propose to deploy the balance Net Proceeds aggregating to ₹ [●] Lakhs towards general corporate purposes, subject to such utilisation not exceeding 15% of the Gross Proceeds or ₹10 crore, whichever is lower from the Fresh Issue, in compliance with Regulation 230 (2) of the SEBI ICDR Regulations. The general corporate purposes for which we propose to utilize the Net Proceeds includes meeting day to day expenses which includes amongst other things, short-term working capital requirements, meeting any expense of the Company, including meeting any shortfall in setting up the new factory, salaries and wages, administration, insurance, repairs and maintenance, payment of taxes and duties, servicing of borrowings including payment of interest, brand building and other marketing expenses, meeting expenses incurred in the ordinary course of business and towards any exigencies, and any other purpose as considered expedient and as approved periodically by our Board or a duly constituted committee thereof, subject to compliance with applicable law, including the necessary provisions of the Companies Act.

The quantum of utilisation of funds towards each of the above purposes will be determined by our Board, based on the amount available under this head and our business requirements, from time to time. Our management, in accordance with the policies of our Board, shall have flexibility in utilising surplus amounts, if any.

We confirm that any issue related expenses shall not be considered as a part of General Corporate Purpose. Further in case, if our actual issue expenses turn to be lesser than the estimated issue expenses, such surplus amount shall be utilized for General Corporate Purpose in such a manner that the amount for general corporate purposes, as mentioned in the Red Herring Prospectus, shall not exceed 15% of the Gross Proceeds or ₹10 crore, whichever is lower.

Details of funds deployed till date and sources of funds deployed

The funds deployed towards the object of this Issue. This is certified by Auditors of our Company, viz. C B Mehta & Associate, Chartered Accountants pursuant to their certificate dated June 14, 2025 is given below: (₹ in Lakhs)

Deployment of Funds	Amount
Issue related expenses	65.11
TOTAL	65.11

(₹ in Lakhs)

Sources of Funds	Amount
Short term borrowings/ Internal Accruals	65.11
TOTAL	65.11

Estimated Issue Related Expenses

The total expenses for this Issue are estimated not to exceed ₹ [●] Lakhs which is [●]% of Issue Size. The details of Issue expenses are tabulated below:



(₹ in Lakhs)

Particulars	Amount	% of Total Issue Expenses	% of Total Issue size
Book Running Lead Manager fees [including underwriting]	[•]	[•]	[•]
Brokerage, selling commission and other uploading fees	[•]	[•]	[•]
Fees payable to Registrar to the Issue	[•]	[•]	[•]
Fees to the legal advisor, audit / chartered accountant fees	[•]	[•]	[•]
Advertising and marketing expenses	[•]	[•]	[•]
Fees payable to regulators including stock exchange	[•]	[•]	[•]
Printing and distribution expenses	[•]	[•]	[•]
Fees payable to Industry Report provider	[•]	[•]	[•]
Miscellaneous	[•]	[•]	[•]
Total Expenses	[•]	[•]	[•]

Issue expenses include goods and services tax, where applicable. Issue expenses will be incorporated at the time of filing of the Prospectus. Issue expenses are estimates and are subject to change.

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

Portion for RIBs*	0.20 % of the Amount Allotted (plus applicable taxes)
Portion for Non-Institutional Bidders*	0.10 % of the Amount Allotted (plus applicable taxes)

* Amount Allotted is the product of the number of Equity Shares Allotted and the Issue Price.

Selling commission payable to the SCSBs will be determined on the basis of the bidding terminal ID as captured in the bid book of NSE. No additional processing fees shall be payable to the SCSBs on the applications directly procured by them.

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

Portion for Retail Bidders*	₹ 10 per valid application (plus applicable taxes)
Portion for Non-Institutional Bidders*	₹ 10 per valid application (plus applicable taxes)

* Processing fees payable to the SCSBs on the ASBA Form for Non-Institutional Bidder and Qualified Institutional Bidders with bids above ₹ [•] Lakh would be ₹ [•] plus applicable taxes, per valid Bid cum Application Form

Notwithstanding anything contained above the total processing fee payable under this clause will not exceed ₹ 1.00 lakh (plus applicable taxes) and in case if the total processing fees exceeds ₹ 1.00 lakh (plus applicable taxes) then processing fees will be paid on pro-rata basis for Retail Individual Investors and Non-Institutional Investors, as applicable.

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

Portion for RIBs*	0.20 % of the Amount Allotted (plus applicable
-------------------	--



	taxes)
Portion for Non-Institutional Bidders*	0.10 % of the Amount Allotted (plus applicable taxes)

* Amount Allotted is the product of the number of Equity Shares Allotted and the Issue Price.

The Selling Commission payable to the brokers will be determined (i) for RIBs and Non-Institutional Bidders (up to ₹ 2,00,000 Lakh), on the basis of the application form number / series, provided that the application is also bid by the respective Syndicate Member. For clarification, if a Syndicate ASBA application on the application form number / series of a Syndicate / Sub-Syndicate Member, is bid by an SCSB, the selling commission will be payable to the SCSB and not the Syndicate / Sub-Syndicate Member, and (ii) for Non-Institutional Bidders (above ₹ 5.0 Lakh), Syndicate ASBA Form bearing SM Code & Sub-Syndicate Code of the application form submitted to SCSBs for Blocking of the Fund and uploading on the Exchanges platform by SCSBs. For clarification, if a Syndicate ASBA application on the application form number, is bid by an SCSB, the Selling Commission will be payable to the Syndicate / Sub-Syndicate Member and not the SCSB.

Bidding charges payable to Registered Brokers on the applications made using 3-in-1 accounts, would be ₹ 5 plus applicable taxes, per valid application bid by the Broker. Bidding charges payable to SCSBs on the QIB Portion and Non-Institutional Bidders (excluding UPI Bids) which are procured by the Syndicate/sub-Syndicate/Registered Broker/RTAs/ CDPs and submitted to SCSBs for blocking and uploading would be ₹ [●] per valid application (plus applicable taxes). Bidding charges payable on the application made using 3-in-1 accounts will be subject to a maximum cap of ₹ 0.50 lakh (plus applicable taxes). The selling commission and bidding charges payable to Registered Brokers, the RTAs and CDPs will be determined on the basis of the bidding terminal id as captured in the Bid Book of NSE.

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

Portion for RIBs and Non-Institutional Bidder	₹ 10 per valid application (plus applicable taxes)
---	--

Bidding charges / processing fees for applications made by UPI Bidders would be as under

Payable to members of the Syndicate (including their sub-Syndicate Members)/ RTAs / CDPs	₹ 10 per valid application (plus applicable taxes)
Payable to Sponsor Bank	₹ 6.5 per valid application (plus applicable taxes). The Sponsor Banks shall be responsible for making payments to the third parties such as remitter bank, NPCI and such other parties as required in connection with the performance of its duties under applicable SEBI circulars, agreements and other Applicable Laws

The total uploading charges / processing fees payable to Members of the Syndicate, RTAs, CDPs, Registered Brokers as listed under (4) will be subject to a maximum cap of ₹0.50 lakh (plus applicable taxes). In case the total uploading charges/processing fees payable exceeds ₹1.00 lakh, then the amount payable to Members of the Syndicate, RTAs, CDPs, Registered Brokers would be proportionately distributed based on the number of valid applications such that the total uploading charges / processing fees payable does not exceed ₹0.50 lakh.

All such commissions and processing fees set out above shall be paid as per the timelines in terms of the Syndicate Agreement and Escrow and Sponsor Banks Agreement. The processing fees for applications made by UPI Bidders may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20,



2022 read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/570 dated June 02, 2021 read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/I/M dated March 16, 2021.

The terminal from which the application has been uploaded will be taken into account in order to determine the total processing fees payable to the relevant registered broker and other intermediaries.

Further, in terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, the payment of processing fees to the SCSBs shall be undertaken pursuant to an application made by the SCSBs to the BRLM, and such application shall be made only after (i) unblocking of application amounts for each application received by the SCSB has been fully completed, and (ii) applicable compensation relating to investor complaints has been paid by the SCSB.

Interim Use of Net Proceeds

Pending utilisation of the Net Proceeds for the purposes described above, our Company will temporarily invest the Net Proceeds in deposits in one or more scheduled commercial banks included in the Second Schedule of Reserve Bank of India Act, 1934, as may be approved by our Board or a duly constituted committee thereof.

In accordance with Section 27 of the Companies Act, 2013, our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in equity shares of any other listed company.

Shortfall of Funds

Any shortfall in meeting the fund requirements will be met by way of internal accruals and / or unsecured Loans.

Bridge Financing Facilities

As on the date of this Red Herring Prospectus our Company has not raised any bridge loans from any bank or financial institution which are proposed to be repaid from the Net Proceeds.

Appraising entity

None of the Objects for which the Net Proceeds will be utilized have been appraised by any bank or financial institution. The funding requirements of our Company and the deployment of the proceeds of the Issue are currently based on available quotations and management estimates. The funding requirements of our Company are dependent on a number of factors which may not be in the control of our management, including but not limited to variations in interest rate structures, changes in our financial condition and current commercial conditions of our Business and are subject to change in light of changes in external circumstances or in our financial condition, business or strategy.

Monitoring of Utilisation of Funds

As the proposed size of the Issue is less than ₹ 5,000 lakhs, in terms of Regulation 262 of the SEBI ICDR Regulations, we are not required to appoint of a monitoring agency for the monitoring the utilisation of Net Proceeds. Our Board will monitor the utilization of Net Proceeds through its Audit Committee.

Pursuant to SEBI LODR Regulations, our Company shall disclose to the Audit Committee of the Board of Directors the uses and applications of the Net Proceeds. Our Company shall prepare a statement of funds utilized for purposes other than those stated in this Red Herring Prospectus and place it before the Audit Committee of the Board of Directors, as required under applicable law. Such disclosure shall be made only until such time that all the Net Proceeds have been utilized in full. The statement shall be certified by the statutory auditor of our Company. Furthermore, in accordance with the Regulation 32 of the SEBI LODR Regulations, our Company shall furnish to the Stock Exchange on a half yearly basis, a statement indicating (i) deviations, if any, in the utilization of the proceeds of the Issue from the Objects; and (ii) details of category



wise variations in the utilization of the proceeds from the Issue from the Objects. This information will also be placed before the Audit Committee of the Board of Directors.

Variations in Objects

In accordance with Section 13(8) and Section 27 of the Companies Act, 2013, our Company shall not vary the objects of the Issue without our Company being authorized to do so by the Shareholders by way of a special resolution. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution shall specify the prescribed details as required under the Companies Act and shall be published in accordance with the Companies Act and the rules there under. As per the current provisions of the Companies Act, our Promoters or controlling Shareholders would be required to provide an exit opportunity to such shareholders who do not agree to the proposal to vary the objects, at such price, and in such manner, as may be prescribed by SEBI, in this regard.

Other Confirmations

There are no material existing or anticipated transactions with our Promoters, Directors, or Key Managerial Personnel, in relation to the utilization of the Net Proceeds. No part of the Net Proceeds will be paid by us as consideration to our Promoters, Directors or Key Managerial Personnel except in the normal course of business and in compliance with the applicable laws.



