



THIS IS A PUBLIC ANNOUNCEMENT FOR INFORMATION PURPOSES ONLY. THIS IS NOT PROSPECTUS ANNOUNCEMENT AND DOES NOT CONSTITUTE AN INVITATION OR OFFER TO ACQUIRE, PURCHASE OR SUBSCRIBE FOR SECURITIES. NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION DIRECTLY OR INDIRECTLY OUTSIDE INDIA.



MACOBS TECHNOLOGIES LIMITED

CIN: U74999RJ2019PLC066608

Our Company was originally incorporated as a private limited company under the Companies Act, 2013 in the name and style of "Macobs Technologies Private Limited" bearing Corporate Identification Number U74999RJ2019PTC066608 dated October 14, 2019 issued by the Registrar of Companies, Rajasthan. For further details, please refer to "*Our History and Certain Other Corporate Matters*" beginning on page 107 of the Draft Red Herring Prospectus.

Registered Office: Plot No. A-305, Backside National Handloom Corp, Vaishali Nagar, Jaipur, Rajasthan, India-302021

Contact Person: Ankita Soni, Company Secretary & Compliance Officer; **Tel No:** +91 8062195170 **Email:**

compliance@macobstech.com; Website: www.macobstech.com

OUR PROMOTERS: (I) SHIVAM BHATEJA (II) DUSHYANT GANDOTRA (III) DIVYA GANDOTRA

THE ISSUE COMPRISE OF A PUBLIC ISSUE OF 25,95,200 EQUITY SHARES OF FACE VALUE OF ₹10/- EACH FULLY PAID (THE "EQUITY SHARES") FOR CASH AT A PRICE OF ₹ [●]/- PER EQUITY SHARES (INCLUDING A PREMIUM OF ₹ [●]/- PER EQUITY SHARE) AGGREGATING TO ₹ [●]/-LAKHS ("THE ISSUE") BY OUR COMPANY. THE ISSUE COMPRISES A RESERVATION OF WHICH [●] EQUITY SHARES OF ₹10/- EACH WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER RESERVATIONS PORTION AND A NET ISSUE TO THE PUBLIC OF [●] EQUITY SHARES OF ₹10/- EACH IS HERINAFTER REFERRED TO AS THE NET ISSUE. THE ISSUE AND THE NET ISSUE WILL CONSTITUTE [●] AND [●] RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF THE COMPANY. THE FACE VALUE OF THE EQUITY SHARES IS ₹ 10/- EACH.

THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BRLM ADVERTISED IN ALL EDITIONS OF A WIDELY CIRCULATED ENGLISH NATIONAL DAILY NEWSPAPER, ALL EDITIONS OF A WIDELY CIRCULATED HINDI NATIONAL DAILY NEWSPAPER (HINDI BEING THE REGIONAL LANGUAGE OF RAJASTHAN, WHERE OUR REGISTERED OFFICE IS LOCATED) AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE OPENING DATE AND SHALL BE MADE AVAILABLE TO THE NATIONAL STOCK EXCHANGE OF INDIA LIMITED "NSE") FOR THE PURPOSE OF UPLOADING ON THEIR WEBSITE.

Potential Bidders may note the following:

- The Following Changes or Updation have been incorporated under the chapter "DEFINITIONS AND ABBREVIATIONS" of the Draft Red Herring Prospectus:**
 - Name of Divya Gandotra has been added in the term defining 'Promoters or Our Promoters'.
- The Following Changes or Updation have been incorporated under the chapter "SUMMARY OF THE ISSUE DOCUMENT" of the Draft Red Herring Prospectus:**
 - In the table 'DETAILS OF THE HOLDING OF SECURITIES OF PERSONS BELONGING TO THE CATEGORY "PROMOTERS AND PROMOTER GROUP" BEFORE THE ISSUE' Category of Shareholder of Divya Gandotra has been shifted from Promoter Group to Promoter.
 - In the table 'WEIGHTED AVERAGE PRICE AT WHICH THE EQUITY SHARES WERE ACQUIRED BY EACH OF OUR PROMOTERS IN LAST ONE YEAR' details for Divya Gandotra have been added.
 - In the table 'AVERAGE COST OF ACQUISITION' details for Divya Gandotra have been added.
- The Following Changes or Updation have been incorporated under the chapter "RISK FACTORS" of the Draft Red Herring Prospectus:**
 - In Risk Factor No. 45, the holding of our Promoter has been changed to incorporate the holding of Divya Gandotra.
 - In Risk Factor No. 5, Risk has been elaborated to add steps taken to rectify the risks.
 - Risk Factor No. 9 has been elaborated to add further details of the mentioned statutory dues and steps taken to mitigate the risk.
 - In Risk Factor No. 16, a statement that the related party transactions adhere to the Companies Act, 2013, and that they will continue to be in compliance with applicable laws has been added.
 - Risk Factor No. 32 has been removed.
 - New Risk Factor wrt Unsecured Loans recallable at demand is added.
 - The sequence of the Risk Factors shall be changed to incorporate the above.
- The Following Changes or Updation have been incorporated under the chapter "GENERAL INFORMATION" of the Draft Red Herring Prospectus:**

Under 'DETAILS OF INTERMEDIARIES PERTAINING TO THIS ISSUE AND OUR COMPANY' the Secretarial Advisor of the Issue is removed from the Offer Document.

5. **The Following Changes or Updation have been incorporated under the chapter "CAPITAL STRUCTURE" of the Draft Red Herring Prospectus:**
 - a) In the subheader 'Sequence of Events pertaining to Share Capital of the Company' ratio of bonus issue has been added.
 - b) In the subheader 'Shareholding of the Promoters of our Company' name and holding of Divya Gandotra have been added.
 - c) In the subheader 'Details of build-up of shareholding of the Promoters' name and holding of Divya Gandotra have been added.
 - d) In the table 'Following are the details of the holding of securities of persons belonging to the category "Promoters and Promoter Group" before and after the Issue' name and holding of Divya Gandotra have been shifted from Promoter Group to Promoter.
 - e) In the table "The average cost of acquisition of or subscription to Equity Shares by our Promoters is set forth in the table below" before and after the Issue' name and holding of Divya Gandotra have been added.
6. **The Following Changes or Updation have been incorporated under the chapter "OBJECTS OF THE ISSUE" of the Draft Red Herring Prospectus:**
 - a) A typographical error in the header 'OBJECTS OF THE ISSUE' Customer Acquisition - Marketing & Awareness has been added as an object.
 - b) Under the Object 'Customer Acquisition - Marketing & Awareness', justification for marketing expenses has been added.
 - c) Under the Object 'Working Capital Requirements', justification for Trade Receivables has been updated, and justification w.r.t. Turnover Ratio added. Notes of Estimation of Working Capital requirements have been added.
7. **The Following Changes or Updation have been incorporated under the chapter "OUR BUSINESS" of the Draft Red Herring Prospectus:**
 - a) Under the subheader 'BUSINESS OVERVIEW' cross-reference to China dependency risk added.
 - b) Under the subheader 'Business Process' flow chart updated to show Third Party Manufacturers, explanation for Procurement and distribution of products, rationale for third party manufacturing added.
 - c) Under the subheader 'BUSINESS STRATEGY' has been updated to include geographical expansion strategy.
8. **The Following Changes or Updation have been incorporated under the chapter "OUR MANAGEMENT" of the Draft Red Herring Prospectus:**
 - a) In the subheader 'BRIEF PROFILE OF THE DIRECTORS' experience of our directors has been added
 - b) In the subheader 'Interest in promotion of Our Company' name of Dviya Gandotra has been added.
9. **The Following Changes or Updation have been incorporated under the chapter "OUR PROMOTERS" of the Draft Red Herring Prospectus:**
 - a) The entire section has been changed to add Divya Gandotra as Promoter in all relevant sections requiring changes.
10. **The Following Changes or Updation have been incorporated under the chapter "OUR PROMOTER GROUP" of the Draft Red Herring Prospectus:**

The Promoter Group belonging to Divya Gandotra has been added in the table 'Natural Persons who form part of our Promoter Group'.

Point to be Noted:

There may be additional changes in the relevant pages of the RHP, in order to incorporate the above stated changes.

The information in this Addendum supplements and updates the information in the Draft Red Herring Prospectus, as applicable, and the aforementioned changes are to be read in conjunction with the Draft Red Herring Prospectus. Accordingly, appropriate references in the Draft Red Herring Prospectus stand updated pursuant to this Addendum. Unless further updated, the changes pursuant to this Addendum, including the consequent changes to the relevant portions of the Draft Red Herring Prospectus, as a result of the above mentioned changes, there will be suitable updating in the Red Herring Prospectus and the Prospectus, as and when they are filed with the RoC, the SEBI and the Stock Exchange. Investors should not rely on the Draft Red Herring Prospectus or this Addendum for any investment decision and should read the Red Herring Prospectus, as and when it is filed with the RoC, the SEBI and the Stock Exchange before making an investment decision with respect to the Issue.

The Equity Shares issued in the Issue have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or any other applicable law of the United States and, unless so registered, 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 Equity Shares are being offered and sold (a) within the United States only to "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act and referred to in the Draft Red Herring Prospectus as "U.S. QIBs") in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act, and (ii) outside the United States in offshore transactions in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur. For the avoidance of doubt, the term "U.S. QIBs" does not refer to a category of institutional investors defined under applicable Indian

regulations and referred to in the Draft Red Herring Prospectus as “QIBs”. The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be Issued or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

All capitalised terms used in this Addendum shall, unless the context otherwise requires, have the meaning ascribed to them in the Draft Red Herring Prospectus.

Place: Jaipur
Date: 19/04/2024

On behalf of Macobs Technologies Limited
Sd/-
Ankita Soni
Company Secretary and Compliance Officer

BOOK RUNNING LEAD MANAGER TO THE ISSUE

REGISTRAR TO THE ISSUE



SKI CAPITAL SERVICES LIMITED
SEBI Registration No.: INM000012768
Address: 718, Dr Joshi Road, Karol Bagh, New Delhi-110005
Telephone No: +91-011-41189899
Website: skicapital.net
Email ID: mtlipo@skicapital.net
Contact Person: Mr. Ghanisht Nagpal

MAASHITLA SECURITIES PRIVATE LIMITED
SEBI Registration No.: INR000004370
Address: 451, Krishna Apra Business Square, Netaji Subhash Place, Pitampura, Delhi-110034
Tel No: +91 -11-4512-1795;
Email: investor.ipo@maashitla.com
Website: <https://www.maashitla.com/>
Contact Person: Mr. Mukul Agrawal

ISSUE PROGRAMME

ANCHOR INVESTOR BIDDING DATE

[●]

ISSUE OPENS ON: [●]

ISSUE CLOSES ON: [●]

Our Company may, in consultation with the Book Running Lead Manager, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Issue Period shall be one Working Day prior to the Bid/Issue Opening Date.

CONTENTS

<u>SECTION I – GENERAL</u>	2
DEFINITIONS AND ABBREVIATIONS	2
<u>SECTION II – SUMMARY OF THE ISSUE DOCUMENT</u>	3
<u>SECTION III – RISK FACTORS</u>	4
<u>SECTION IV – INTRODUCTION</u>	6
GENERAL INFORMATION	6
CAPITAL STRUCTURE	7
<u>SECTION V- PARTICULARS OF THE ISSUE</u>	9
OBJECTS OF THE ISSUE	9
<u>SECTION VI – ABOUT THE COMPANY</u>	12
OUR BUSINESS	12
OUR MANAGEMENT	14
OUR PROMOTERS	15
OUR PROMOTER GROUP	17

SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

Company Related Terms

Terms	Description
Promoters or Our Promoters	Promoters of our Company, being, Shivam Bhateja, Dushyant Gandotra and Divya Gandotra.

SECTION II – SUMMARY OF THE ISSUE DOCUMENT

PROMOTERS

The Promoters of our Company are Shivam Bhateja, Dushyant Gandotra and Divya Gandotra. For detailed information, please refer to chapter titled “*Our Promoters*” on page number 120 of this Draft Red Herring Prospectus.

DETAILS OF THE HOLDING OF SECURITIES OF PERSONS BELONGING TO THE CATEGORY “PROMOTERS AND PROMOTER GROUP” BEFORE THE ISSUE:

S. N.	Name of Shareholder	Category of Shareholder	Aggregate pre-issue shareholding as a percentage of the paid-up share capital
1	Shivam Bhateja	Promoter	32.48%
2	Dushyant Gandotra	Promoter	32.48%
3	Divya Gandotra	Promoter	0.01%
4	Bela Gandotra	Promoter Group	0.01%
5	Geeta Bhateja	Promoter Group	0.01%
6	Rajeev Gandotra	Promoter Group	0.01%
Total			65%

WEIGHTED AVERAGE PRICE AT WHICH THE EQUITY SHARES WERE ACQUIRED BY EACH OF OUR PROMOTERS IN LAST ONE YEAR

Name of the Promoters and Promoter Group	No. of Shares Acquired	Weighted Average Price (in ₹)
Dushyant Gandotra	23,35,312	7.19
Shivam Bhateja	23,35,312	7.19
Divya Gandotra	719	7.19

AVERAGE COST OF ACQUISITION

The average cost of acquisition per Equity Share to our Promoters as at the date of this Draft Red Herring Prospectus is:

Name of the Promoters and Promoter Group	No. of Shares held	Average cost of Acquisition (in ₹)
Dushyant Gandotra	23,38,560	7.19
Shivam Bhateja	23,38,560	7.19
Divya Gandotra	720	7.19

SECTION III – RISK FACTORS

- 1. Our Promoters will continue to have majority control over our Company which may allow them to determine the outcome of matters submitted to shareholders for approval.*

Upon completion of this Issue, our Promoters will collectively hold 46,77,840 Equity Shares constituting [●]% of the post issue paid up equity share capital of our Company and also continue to enjoy remuneration or benefits, reimbursements of expenses as approved by the Board. Consequently, the Promoter will have the ability to exercise significant influence over all matters requiring shareholders' approval. Accordingly, our Promoters will continue to retain significant control, including being able to control the composition of our Board of Directors, determine decisions requiring simple or special majority voting of shareholders, undertaking sale of all or substantially all of our assets, timing and distribution of dividends and termination of appointment of our officers, and our other shareholders may be unable to affect the outcome of such voting. There can be no assurance that our Individual Promoter will exercise their rights as shareholders to the benefit and best interests of our Company.

- 2. Our company has not complied with certain statutory provisions of the Companies Act. Such non-compliance may attract penalties and other actions against our Company and its Directors which could impact the financial position of us to that extent.*

Our Company has identified several compliance irregularities and administrative errors across various aspects of our corporate governance and regulatory reporting. These issues, which span over multiple financial years, include:

- **Board Meeting Date Discrepancies:** For the years 2019-20, 2021-22, and 2022-23, there have been discrepancies between the dates mentioned in the Board Report and those recorded in the Minutes of Meetings.
- **Non-Filing of eForm CHG-1:** The Company failed to file eForm CHG-1 for the creation of a charge against loans taken for motor vehicles, as reflected in the 31st March 2022 Balance Sheet. To rectify the mentioned issue as regards non-filing of eForm CHG-1, we have initiated written communication with the lender, requesting their assistance and cooperation to correct the record and facilitate the filing of the mentioned form promptly.
- **Errors in Filing eForms ADT-1, AOC-4, and DPT-3:** Mistakes were made while filing eForm ADT-1 for the appointment of an Auditor, eForm AOC-4 for FY 2019-20, and Form DPT-3 for FY 2021-22.

Here's a summary of the actions taken to rectify these mistakes:

a) ADT-1 (Appointment of Auditor):

An error was made during the initial filing, but a revised form having, SRN F93238707 dated 09/03/2024, has been refiled with the Registrar of Companies (ROC). This should address any discrepancies or inaccuracies in the appointment of the auditor.

b) AOC-4 (Financial Statement Filing):

There were typographical errors in Part-A of Segment-I and Segment-II. These errors were related to details regarding the number of auditors and information about principal products or services of the company, respectively.

A clarification letter has been filed with the ROC, having SRN F93427433 dated 15/03/2024 to address this issue. This should ensure that the correct information is reflected in the financial statements submitted to the authorities. The above errors were purely unintentional and clerical in nature, not having any impact on the Company's financial disclosure/investor risk parameters.

c) DPT-3 (Return of Deposits and Deposits):

The company had created a charge on its assets as of March 31, 2022, but this was not captured in the DPT-3 return filed for the period April 1, 2021, to March 31, 2022.

- **Non-Filing of eForm ADT-1 for First Statutory Auditor:** The Company did not file eForm ADT-1 for the appointment of the First Statutory Auditor as required under Section 139 of the Companies Act, 2013.
- **Violation in Share Issuance:** The Company issued shares to existing shareholders, contravening Rule 9A of The Companies (Prospectus and Allotment of Securities) Rules, 2014.

Each of these issues signifies potential risks to our Company's compliance stature, operational integrity, and reputation. They could lead to regulatory penalties, legal challenges, and erosion of stakeholder confidence. We are taking necessary steps to rectify these issues, strengthen our compliance framework, and prevent recurrence. In response to these identified non-compliances, the company has undertaken corrective measures by engaging Neeta Sinha & Associates, a firm of practicing company secretaries, to assist in rectifying past non-compliances and ensure comprehensive resolution of the identified issues.

Furthermore, the company has improved its internal compliance framework by appointing a full-time compliance officer. The compliance officer is expected to oversee the company's adherence to statutory and regulatory requirements, continuously monitor internal processes, and keep abreast of legislative changes that could impact the company's operations.

3. *Our Company has delayed payment of Government and statutory dues, and has been penalized.*

Our company has a history of delayed payments and contributions towards Goods and Services Tax, Tax Deducted at Source, and Advance Tax, resulting in the imposition of interest and penalties on these amounts as follows:

Goods and Services Tax (GST) Delays:

- **FY 21:** The average delay for GSTR 1 filings was 39 days, and for GSTR 3b, it was significantly higher at 94 days.
- **FY 22:** There was an improvement in the average delay times, with GSTR 1 filings delayed by 45.92 days and GSTR 3b by 34.42 days.
- **FY 23:** The average delay further reduced to 12.11 days for GSTR 1 and 9 days for GSTR 3b.
- **FY 24:** The most recent data shows a substantial improvement, with the average delay for GSTR 1 filings at 6.12 days and for GSTR 3b at 2.57 days.

Tax Deducted at Source (TDS) Delays:

- **FY 21:** TDS Challan payments were delayed by an average of 82.58 days, with 26Q TDS Return filings delayed by 2.50 days.
- **FY 22:** The average delay for TDS Challan payments decreased to 65.83 days, with 26Q filings delayed by 11.25 days.
- **FY 23:** TDS Challan payments saw a further reduction in delays to 62.08 days, with 26Q and 24Q filings delayed by 0.75 and 0.50 days, respectively.
- **FY 24:** A slight increase in TDS Challan payment delays to 62.44 days, with 24Q filings delayed by 10.33 days, while 26Q filings saw no delays.

Additionally, Advance Tax payments have been delayed for all periods, with payments being made along with regular income tax, including the applicable interest for all years.

These delays have been there due to numerous reasons but not limited to management oversight, mismatch of liquidity available for payment of dues and robust financial systems not being in place to address timely payment of dues.

However, as of the date of filing of this Draft Red Herring Prospectus, there are no pending dues or delayed statutory payments.

While we have implemented corrective measures and established systems to mitigate past delays in meeting statutory obligations, including the appointment of a dedicated professional to oversee timely payments, the historical delays pose a risk. To further strengthen our commitment to compliance and ensure that such delays do not recur, the company has appointed a full-time Compliance Officer and a full-time Chief Financial Officer. These strategic appointments are aimed at streamlining the payment of dues and developing robust systems to prevent future delays. The presence of a dedicated Compliance Officer and Chief Financial Officer enhances our internal controls and oversight, ensuring adherence to regulatory requirements and safeguarding against financial penalties, legal liabilities, and potential damage to our reputation.

4. *Our Company has entered into certain related party transactions and may continue to do so in the future.*

Our Company has entered into few related party transactions with our Promoters and Directors during the last three Financial Years. While our Company believes that all such transactions have been conducted on the arm's length basis, there can be no assurance that it could not have been achieved on more favourable terms had such transactions not been entered into with related parties. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operation. The Company has adhered to the provisions of the Companies Act, 2013, and other relevant regulations in conducting past related party transactions. Moreover, the Company is committed to ensuring that all future transactions will continue to be in strict compliance with the Companies Act, SEBI Regulations, and other applicable laws

5. *Our Company as certain borrowings that are recallable at demand.*

Our company has an overdraft limit with a lender that is considered recallable at demand. This arrangement poses a risk as the lender can request repayment of the entire overdraft amount at any time without prior notice. Such a demand could significantly disrupt our cash flow management and operational planning. Immediate repayment could strain our financial resources, potentially affecting our ability to fund daily operations or strategic investments. This financial vulnerability could impact our overall business stability and future growth prospects.

SECTION IV – INTRODUCTION

GENERAL INFORMATION

DETAILS OF INTERMEDIARIES PERTAINING TO THIS ISSUE AND OUR COMPANY

SECRETARIAL ADVISOR TO THE ISSUE
Manthan Negandhi & Co., Company Secretaries
Firm Registration Number: S2018MH640600
Peer Review No.: 3229/2023
Address: Office No.1218, Prasad Chambers, Opera House, Mumbai-400004
Mob: +91-9969296249
Email: partner@mkneo.in
Contact person: CS Manthan Negandhi

The above table is removed and shall not be added in the RHP.

CAPITAL STRUCTURE

Sequence of Events pertaining to Share Capital of the Company: -

Allotment on Bonus basis, on the ratio of 2:1, of 20,20,000 equity shares to the following Shareholders on 21.07.2023:

S. No	Name of the Allottee	Number of shares allotted	(%) out of total allotment
1.	Mr. Shivam Bhateja	6,56,096	32.48
2.	Mr. Dushyant Gandotra	6,56,096	32.48
3.	Mr. Raman Talwar	7,07,000	35.00
4.	Ms. Divya Gandotra	202	0.01
5.	Ms. Bela Gandotra	202	0.01
6.	Ms. Geeta Bhateja	202	0.01
7.	Mr. Rajeev Gandotra	202	0.01

Shareholding of the Promoters of our Company

As on the date of this Draft Red Herring Prospectus, our Promoters – Dushyant Gandotra, Shivam Bhateja and Dviya Gandotra hold total 46,77,840 Equity Shares representing 64.97% of the pre-issue paid up share capital of our Company.

Details of build-up of shareholding of the Promoters

C. Divya Gandotra

Date of Allotment /Acquisition /transaction and when made fully paid up	Nature (allotment/transfer)	Number of Equity Shares	Face Value per Equity Share (in ₹)	Issue/ Transfer price per Equity Share (in ₹)	Consideration (cash/ other than cash)	% of pre issue capital of Cumulative Shares
09-01-2023	Transfer	1	10	10	Cash	0.01%
04-07-2023	Right issue	100	10	10	Cash	0.01%
21-07-2023	Bonus issue	202	10	0	Other than cash	0.01%
11-10-2023	Right issue	297	10	10	Cash	0.01%
02-11-2023	Right issue	120	10	10	Cash	0.01%
	Total	720				

Following are the details of the holding of securities of persons belonging to the category “Promoters and Promoter Group” before and after the Issue:

S. N.	Name of shareholder	Pre-Issue	
		No. of Equity Shares	As a % of Issued Capital
Promoters			
1	Shivam Bhateja	23,38,560	32.48%

2	Dushyant Gandotra	23,38,560	32.48%
3	Divya Gandotra	720	0.01%
Total -A		46,77,840	64.97%
Promoter Group (B) :			
1	Bela Gandotra	720	0.01%
2	Geeta Bhateja	720	0.01%
3	Rajeev Gandotra	720	0.01%
Total-B		2880	0.03%
Grand Total (A+B)		46,80,000	65%

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

Name of the Promoters	No. of Shares held	Average cost of Acquisition (in ₹)
Mr. Dushyant Gandotra	23,38,560	7.19
Mr. Shivam Bhateja	23,38,560	7.19
Divya Gandotra	720	7.19

**SECTION V- PARTICULARS OF THE ISSUE
OBJECTS OF THE ISSUE**

DETAILS OF UTILIZATION OF ISSUE PROCEEDS

1. Customer Acquisition - Marketing & Awareness

Justification for Marketing Expense:

The projected augmentation in marketing expenses is a deliberate and data-backed strategy central to our Company's growth model. Our financial analysis indicates a direct correlation between marketing spend and revenue generation, which has been consistent over the past three fiscal years. This trend validates our approach that heightened visibility and customer engagement through strategic marketing directly translate into increased sales.

To elucidate, we have mapped our historical data which illustrates that investment in marketing channels such as Google and Meta (Facebook and Instagram) has yielded a proportionate uplift in revenue. Based on this empirical evidence, we intend to allocate an increased amount of INR 147.55 lakhs for Google and INR 467.07 lakhs for Meta platforms in FY 2024-25, as delineated in the table provided. This allocation is grounded in a precise 24:76 ratio between these two dominant online advertising mediums, which has been optimized through an analytical evaluation of past expenditure trends and the associated revenue impacts.

Furthermore, our D2C business model is inherently geared towards online sales, where platforms like Google, Facebook, and Instagram serve not just as marketing tools but as integral sales channels. These platforms have shown a robust track record of driving sales upwards due to their expansive reach and sophisticated targeting capabilities. By investing INR 200 lakhs from the net proceeds into marketing, we are confident in achieving our targeted sales figures, as the proposed expenditure is designed to exponentially enhance our online presence and customer acquisition efforts.

The increased marketing spend is anticipated to escalate our product visibility and customer mindshare, thereby augmenting our top-line performance. The Company's strategy to amplify marketing efforts is not a mere incremental increase in budget but a calculated investment in our sales engine, underpinned by a historical pattern of high return on marketing investment.

3. Working Capital Requirements*

Trade Receivables	As our Company ventures beyond its established B2C e-commerce framework, we are strategically poised to widen our distribution channels to include physical retail stores. This diversification is anticipated to increase the holding period of trade receivables, as the settlement terms in physical retail tend to be lengthier than those in the digital marketplace. Concurrently, sales through various online platforms are subject to a range of settlement periods that can extend up to 30 days. Our receivable days are thus projected to elongate, factoring in the revised settlement periods that come with a larger operational scope and the integration of multiple sales channels. This increment from 5 days in FY 2024 to 15 and 25 days in FY 2025 and FY 2026, respectively, reflects the Company's adaptive approach in calibrating its credit terms to align with the dynamic retail landscape and online platforms, ensuring sustained revenue growth without compromising on liquidity.
Inventories	As the company navigates through a phase of exponential sales volume growth, the inventory holding period is set to expand from 52 to 90 days to support the expected surge. This augmentation is in direct response to an improved inventory turnover ratio, which necessitates a longer lead time to accommodate anticipated demand surges. This is a strategic decision to ensure that growth in sales is not hampered by a lack of product availability, ensuring uninterrupted order fulfilment while also considering the associated costs of holding large inventories.
Trade Payables	With the forecasted scale-up in operations, trade payables days are anticipated to stabilize at 20, as per the projections from FY 2021 to FY 2026. This equilibrium is indicative of judicious negotiations for extended supplier payment terms, congruent with the elongated inventory lead time and a sharpened inventory turnover. Such fiscal prudence will underpin the company's capability to seamlessly cater to the increasing order volume, reinforcing its financial scaffolding amidst expanding market share. This steady payable period also reflects the company's strategy to manage liquidity effectively as it grows.
Turnover Ratio	The projected increase in the working capital turnover ratio is attributed to our strategic initiatives aimed at amplifying sales while optimizing operational efficiency. As our Company scales its presence across e-commerce platforms, the enhancement in turnover is indicative of more efficient utilization of working capital relative to revenue generation. This anticipated improvement in the ratio is a consequence of a concerted effort to refine inventory management practices, accelerate the collection of receivables, and

	streamline payables—all integral elements of our working capital cycle. Moreover, the introduction of new product lines and expansion into untapped market segments is expected to significantly elevate revenue, thereby contributing to a higher working capital turnover ratio. This upward trend in the ratio reflects our confidence in the Company’s capacity to drive revenue growth efficiently, harnessing the potency of our operational strategies and robust financial management.
--	--

For more details, refer to the sub header titled ‘**Business Strategy**’ in the section titled ‘**Our Business**’ on page 96 of the Draft Red Herring Prospectus.

Notes to Estimation of Working Capital requirements:

Rationale for negative working capital in FY 2021.

The negative working capital observed in FY 2021 can be attributed to the operational dynamics and inventory management practices during the company's initial year of full operations. Incorporated in October 2019, the company's first complete operational year was 2021, during which sales amounted to only 95 Lakhs. The procurement of fresh inventories necessitated significant outlays, leading to the accumulation of trade payables on the company's books. The outstanding payables from the initial operational phase were settled in the Financial Year 2022, leading to an elevated level of trade payables recorded in 2021. This elevation in trade payables was further accentuated by purchases made from two creditors in the final weeks of the financial year, which remained outstanding due to the company's credit cycle. The settlement of these payables in the subsequent year reflects the company's financial planning and its ability to manage liabilities effectively, contributing to the normalization of working capital as the company progressed beyond its initial operational year.

This situation resulted in a negative working capital for the company during this initial phase. It is important to note that this occurrence of negative working capital was specific to the company's first year of operations. Subsequent to this period, the company exhibited a linear and consistent trend in its working capital management, aligning with historical patterns and operational stabilization.

A detailed rationale for the increase in working capital requirements of the Company for FY 2022

The increase in working capital requirements for FY 2022 is a consequence of settling outstanding liabilities to two creditors from the previous financial year. This action led to a reduction in trade payables, which, when compared to the levels of inventory and receivables, resulted in an increased need for working capital. The adjustment in the working capital matrix, particularly the decrease in trade payables, necessitated additional working capital to maintain operational liquidity and balance the company's financial accounts.

Furthermore, this financial year marked a period where the business operations normalized and became streamlined, achieving a smooth balance between the creditors and debtors of the Company. The Company scaled its operations on a leading online e-commerce in India in this finance year. This equilibrium in the financial relationships contributed to a more stable and predictable working capital cycle, improving the company's capability to oversee cash flows and fulfill financial obligations efficiently.

A detailed rationale for the decrease in working capital requirements of the Company for FY 2023

The decrease in working capital requirements for FY 2023 is primarily attributed to the normalization of accounts with our regular creditors, eliminating any anomalous outstanding amounts in trade payables. The presence of a significant but isolated increase in outstanding trade payables is due to purchases made in January, February, and March from a single supplier, from whom we obtained exceptionally favorable credit terms for this specific transaction. Excluding this solitary purchase, the working capital pattern for FY 2023 mirrors that of the financial year 2022, indicating a continuation of the established trend of working capital management following the resolution of prior year's outstanding liabilities.

Detailed justification for the holding period for past three financial years, stub period and estimated period.

In the initial years, our company's inventory days fluctuated as we were in the process of determining the Economic Order Quantity (EOQ) suitable for our operational scale in the men's grooming D2C market. The audited inventory days for the fiscal years 2021 to 2023 showed a pattern of fluctuation, with days decreasing from 52 to 15 and then slightly increasing to 18. This trend is indicative of the initial years of operation where the company was actively engaged in estimating the EOQ to align our inventory management with consumer demand and operational throughput. The variation in inventory days represents a period of refinement as we sought to balance the carrying costs of inventory with the need to meet immediate market demand, which is particularly critical in the direct-to-consumer space.

Currently, we have employed a more stabilized approach, moving towards a 90-day inventory holding period by FY 2026, which is considered a standard practice within the industry. This projection is based on comprehensive analyses, factoring in our supply chain dynamics and the need to ensure product availability in the face of fluctuating sales volumes and growth forecasts. The adoption of

this 90-day period is expected to enhance our inventory management efficiency, support our service level excellence, and align with best practices as we scale our operations.

SECTION VI – ABOUT THE COMPANY

OUR BUSINESS

BUSINESS OVERVIEW

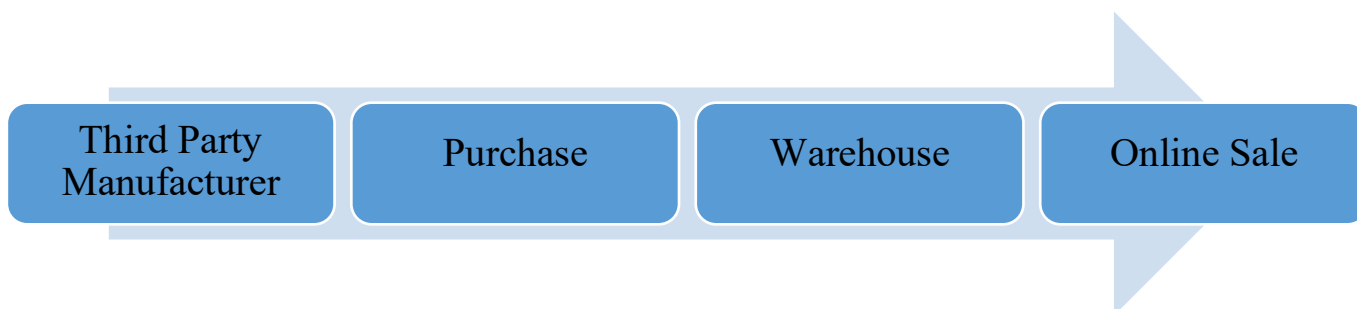
Our Company operates within the male grooming industry, specializing in the niche area of below-the-belt grooming, and conducts its business exclusively through e-commerce channels such as our website <https://menhood.in/>, without maintaining physical stores or a traditional retail footprint. This focus addresses a significant gap in the market, particularly in regions where discussion around such aspects of personal care is often limited. We offer a range of products specifically designed for men's grooming needs, encompassing tools like specialized trimmers for sensitive areas, hygiene products tailored for male skin, and a variety of self-care items. These products are developed with a commitment to innovation, safety, and effectiveness, catering to the unique requirements of their target demographic.

Beyond its product range, Our Company is dedicated to educating and changing societal perceptions about male grooming, primarily leveraging online platforms. This involves creating and sharing content that promotes awareness and open conversation on topics traditionally considered taboo. The company's approach is deeply customer-centric, focusing on understanding and meeting the evolving needs of its consumers through digital engagement and feedback mechanisms.

As part of our operational strategy, we import electronic components essential for our products from China. This strategic decision is driven by the need to access high-quality materials and advanced technology, ensuring that our offerings meet the highest standards of quality and innovation. However, this approach introduces specific risks associated with international trade, particularly given the geopolitical dynamics between India and China. For the exact risk factor, please refer to the "Risk Factor" section on page number 19 of this DRHP.

BUSINESS PROCESS

Process of business is described below: -



1. **Product Sourcing (Import):**

- Identify and select international suppliers for raw materials and finished products.
- Finalize purchase orders and arrange for the import of goods.

2. **Inventory Management:**

- Receive imported goods at a central warehouse.
- Conduct quality checks and inventory stocking.

3. **Product Listing and Online Presence:**

- Create and update product listings on the company's e-commerce website and other online marketplaces.
- Optimize product descriptions and images for online visibility.

4. **Digital Marketing and Promotion:**

- Engage in digital marketing activities to promote products online. This includes SEO, content marketing, social media advertising, and email campaigns.
- Offer promotions, discounts, and special offers to attract customers.

5. **Customer Order and Payment Processing:**

- Receive and process customer orders through the e-commerce platform.
 - Manage payment transactions securely.
6. **Order Fulfilment and Shipping:**
- Pick, pack, and prepare orders for dispatch from the warehouse.
 - Coordinate with courier services for domestic and international shipping.
7. **Customer Service and Support:**
- Provide customer service, including handling inquiries, feedback, and after-sales support.
 - Manage returns and exchanges as per the company's policy.
8. **Data Analysis and Feedback Integration:**
- Analyze sales data, customer feedback, and market trends for insights.
 - Use this analysis to inform future product development and marketing strategies.

Procurement and distribution of products: -

Our company has established a diversified procurement strategy that involves sourcing quality products from reputable third-party manufacturers. This approach allows us to offer a wide range of men's grooming products while maintaining the flexibility to adapt to market trends and consumer preferences quickly.

In addition to leveraging third-party procurement, we actively purchase products that complement our existing product lineup, ensuring we provide our customers with a comprehensive grooming solution. These purchases are made after thorough market research and quality assessments to align with our brand's promise of excellence.

Furthermore, our sales strategy capitalizes on the extensive reach and convenience offered by leading e-commerce platforms. Selling on these e-commerce platforms allows us to tap into a broad customer base, benefiting from their logistic capabilities and market penetration. Simultaneously, we also sell products through our own website, menhood.in, which serves as a direct channel to our consumers, offering them exclusive products, offers, and brand experiences.

Rationale for third party manufacturing: -

Our company engages in the procurement of products through a job work arrangement as part of our operational strategy. This approach enables us to maintain flexibility in production, focus on our core competencies in design and innovation, and leverage the manufacturing expertise of our partners to ensure high-quality products. Specifically, our company has entered into an Exclusive Distribution Agreement with Guangzhou Zhongpai Electronics Co. Ltd. (China) dated December 08, 2023. Under this agreement, Guangzhou Zhongpai Electronics Co. Ltd. is responsible for the manufacturing of our designed products on a job work basis. This partnership allows us to benefit from their advanced manufacturing capabilities, quality control measures, and scalability options, which are crucial for meeting the dynamic demands of the men's grooming market.

BUSINESS STRATEGY

Expanding into new geographies: The Company has expanded its market presence into new regions, including the Middle East, by empanelling itself on platforms of a global e-commerce portal in the UAE and Saudi Arabia, and continues to explore additional regions for expansion. These efforts are expected to enhance revenue and extend product reach. Additionally, the Company has strengthened its distribution capability by way of execution of a definitive agreement with a pan-India retailer.

OUR MANAGEMENT

BRIEF PROFILE OF THE DIRECTORS

Dushyant Gandotra, for further details kindly refer to the subsection titled – “*Key Managerial Personnel*” of this chapter.

Shivam Bhateja, for further details kindly refer to the subsection titled – “*Key Managerial Personnel*” of this chapter.

Divya Gandotra, leads EMIAC Technologies Private Limited, focusing on content marketing and client relationships. She drives brand visibility initiatives. Her education spans Computer Science, Marketing, and Law.

Priya Goel, with 16 years in finance, specializes in arbitrage, trading, and strategic finance management. She holds an MBA from IIM Kozhikode and a B.Sc. from Hindu College. Her roles included Relationship Manager and Derivatives Trader.

Sunil Kumar Rana, has extensive experience in operations management within financial services, focusing on coordination, query handling, and reporting. He holds a B.A. from Delhi University and various technical certifications. Currently, he ensures branch profitability at a wealth management company.

Interest in promotion of Our Company


Except Dushyant Gandotra, Shivam Bhateja, and Dviya Gandotra, who are Promoters of our company, none of our directors have any interest in the promotion of our Company other than in the ordinary course of business.

OUR PROMOTERS

The Promoters of our Company are:

S.N.	Name	Category	Shareholding
1.	Dushyant Gandotra	Individual Promoters	23,38,560
2.	Shivam Bhateja	Individual Promoters	23,38,560
3.	Divya Gandotra	Individual Promoters	720

For details of the build-up of our promoter's shareholding in our Company, see "Capital Structure" beginning on page 51 of this Draft Red Herring Prospectus.

	Name	Divya Gandotra
	Age	31 Years
	PAN	BIMPG2955F
	Personal Address	Flat No. S-202, On Second Floor Arshiya Residency Near Pink Square Mall Plot No. C-2 Adarsh Nagar , Rajapark Jawahar Nagar Jaipur Rajasthan - 302004
	Directorships & Other Ventures	EMIAC Technologies Private Limited
	Experience	6 Years
	Occupation	Business
	No. of Equity Shares & % pre-Issue Shareholding	720 Shares i.e. 0.01% of total pre-issue shareholding

RELATIONSHIP OF PROMOTER WITH OUR DIRECTORS

Our Promoters are part of our Board of Directors as Director, Managing Director and Whole Time Director. None of our Promoters are related to any of our Company's Directors within the meaning of Section 2(77) of the Companies Act, 2013, except as disclosed in "*Our Management*" beginning on page number 110 of this Draft Red Herring Prospectus.

INTEREST OF PROMOTER

Interest as member of Our Company

Our Promoters hold 46,77,840 Equity Shares aggregating to 64.97 % of pre-issue Equity Share Capital in our Company and are therefore interested in the extent of his respective shareholding and the dividend declared, if any, by our Company. Except to the extent of his respective shareholding in our Company and benefits provided to our Promoters given in "*Our Management*" beginning on page 110 of this Draft Red Herring Prospectus, our Promoters hold no other interest in our Company.

COMPANIES / FIRMS FROM WHICH THE PROMOTER HAVE DISASSOCIATED THEMSELVES IN THE LAST (3) THREE YEARS

Our Promoters has not disassociated themselves from any of the Companies, Firms or other entities during the last three years preceding the date of this Draft Red Herring Prospectus, except as follows:

Divya Gandotra

S.No.	Company Name	Effective Date	Reason
1	Manest Private Limited	02/11/2023	Cessation of directorship

CHANGE IN THE CONTROL OF OUR COMPANY

There has been no change of control of our Company, the Promoters of our Company are Shivam Bhateja and Dushyan Gandotra. Initial subscribers to the MoA of our Company were Shivam Bhateja and Dushyan Gandotra. Divya Gandotra has been named as Promoter under SEBI ICDR Regulation as being sibling of Dushyant Gandotra and holding office of Non-Executive Director of the Company. For details of the shareholding acquired by the Promoters of our Company refer to the capital build-up of our Promoters under “*Capital Structure*” beginning on page 51 of this Draft Red Herring Prospectus.

OUR PROMOTER GROUP

Our Promoters and Promoter Group in terms of Regulation 2(1) (pp) of the SEBI (ICDR) Regulations is as under

A. Natural Persons who form part of our Promoter Group:

The following natural persons being the immediate relatives of our Promoters in terms of the SEBI (ICDR) Regulations 2018 form part of our Promoter Group:

S. No.	Relationship	Dushyant Gandotra	Divya Gandotra	Shivam Bhateja
1	Father	Rajeev Gandotra	Rajeev Gandotra	Late Rakesh Bhateja
2	Mother	Bela Gandotra	Bela Gandotra	Geeta Bhateja
3	Spouse	NA	NA	NA
4	Brother	NA	Dushyant Gandotra	Rahul Bhateja
5	Sister	Divya Gandotra	NA	NA
6	Son	NA	NA	NA
7	Son's spouse	NA	NA	NA
8	Daughter	NA	NA	NA
9	Daughter's spouse	NA	NA	NA
10	Spouse's Father	NA	NA	NA
11	Spouse's Mother	NA	NA	NA
12	Spouse's Brother	NA	NA	NA
13	Spouse's Sister	NA	NA	NA