



Pantomath Capital Advisors Private Limited

(SEBI Registered Category - I Merchant Bankers)

December 14, 2023

Securities and Exchange Board of India

Corporation Finance Department

Division of Issues and Listing

Plot No.C4-A, 'G' Block

Bandra-Kurla Complex, Bandra (East),

Mumbai - 400051, Maharashtra

Dear Sirs,

Sub: Proposed initial public offering of up to 1,67,81,915 Equity Shares of face value of ₹ 10 each (“Equity Shares”) of Gretex Share Broking Limited (“the Company” or “the Issuer”) for cash at a price of ₹ [●] per Equity Share (including a premium of ₹[●] per Equity Share) (“Issue Price”) aggregating up to ₹ [●] lakhs (the “Fresh Issue”) and an Offer For Sale of up to 30,96,000 Equity Share by the Selling Shareholders, Sumeet Harlalka, Sashi Harlalka and Alok Harlalka HUF aggregating upto ₹ [●] (the “Selling Shareholders”) (the “ Offer For Sale”, and together with the Fresh Issue, the “Offer”)

1. This is in relation to the proposed initial public offer of the Equity Shares of the Company aggregating up to ₹ [●] lakhs comprising of a fresh issue of up to 1,67,81,915 Equity Shares aggregating up to ₹ [●] lakhs and an offer for sale of up to 30,96,000 Equity Shares aggregating up to ₹ [●] lakhs by the Selling Shareholders. The Company in consultation with the Book Running Lead Manager, may consider undertaking a pre-IPO placement of up to 33,12,985 equity shares for a cash consideration aggregating up to ₹ [●] lakhs between the date of the DRHP (defined below) till the filing of the red herring prospectus (“**RHP**”) with the RoC (“**Pre-IPO Placement**”). If the Pre-IPO Placement is undertaken, the amount raised pursuant to such a Pre-IPO Placement will be reduced from the amount of the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR.
2. The Company and the Selling Shareholders are proposing to undertake the Offer through book building process in compliance with Regulation 6(1) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the “**SEBI ICDR Regulations**”), at such price as may be determined through the book building process, in accordance with the SEBI ICDR Regulations and pursuant to Rule 19(2)(b) of the Securities Contracts (Regulations) Rules, 1957, as amended (the “**SCRR**”) read with Regulation 31 of the SEBI ICDR Regulations, the Companies Act, 2013, as amended, and other applicable laws.
3. The Company and the Selling Shareholders have appointed Pantomath Capital Advisors Private Limited as the Book Running Lead Manager (“**BRLM**”) for the Offer.
4. The Company and the Selling Shareholders have appointed Bigshare Services Private Limited to act as the Registrar to the Offer (“**Registrar**”).
5. We are filing the Draft Red Herring Prospectus dated December 14, 2023 (the “**Draft Red Herring Prospectus**” or the “**DRHP**”) in relation to the Offer for your consideration and observations. In connection with the filing of the DRHP with the Securities and Exchange Board of India (“**SEBI**”), we hereby submit the following:



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- (a) A soft copy of the DRHP in “.PDF” format, accompanied by this letter and all annexures hereto, submitted by way of an e-mail to SEBI at cfddil@sebi.gov.in, in accordance with the instructions issued by SEBI on March 27, 2020, in relation to “Easing of Operational Procedure – Division of Issues and Listing – CFD”. Such documents will also be uploaded on the SEBI intermediary portal at <https://siportal.sebi.gov.in> as specified in Regulation 25(8) of the SEBI ICDR Regulations and the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018. All online payment will be made in accordance with the “Easing of Operational Procedure” issued by SEBI dated August 11, 2021.
 - (b) A certificate from the BRLM in accordance with Regulation 25(2)(a) of the SEBI ICDR Regulations confirming that the Company, the Selling Shareholders and the BRLM have entered into an Offer Agreement dated December 14, 2023 in accordance with Regulations 23(5) of the SEBI ICDR Regulations and the format specified in Schedule II of the SEBI ICDR Regulations (**Annexure I**).
 - (c) A due diligence certificate dated December 14, 2023 signed by the BRLM in accordance with Regulation 25(2)(b) of the SEBI ICDR Regulations (**Annexure II**), along with (i) a due diligence process note as required under Form A of Schedule V of the SEBI ICDR Regulations (**Annexure II-A**); and (ii) a detailed checklist confirming Regulation wise compliances of the disclosures in the DRHP with the applicable provisions of the SEBI ICDR Regulations (**Annexure II-B**), which are annexed to the due diligence certificate.
 - (d) We submit that the Company is making a payment of ₹ 29,50,000.00 (Rupees Twenty-Nine Lakhs Fifty Thousand only), which is equivalent of 0.1% of the estimated Offer Size of ₹ 250,00,00,000.00 (Rupees Two Hundred and Fifty Crores Only) towards filing fees under Schedule III of the SEBI ICDR Regulations through the relevant payment link on the SEBI Intermediary Portal and including GST calculated at 18% of Rs. 4,50,000.00 (Rupees Four Lakhs and Fifty Thousand Only). Such amount is based on an estimated Offer size of up to ₹ 250,00,00,000 .00 lakhs and should not be construed as the final Offer size for purposes of Schedule XVI of the SEBI ICDR Regulations. As the Offer Price of the Equity Shares will be determined at a later date through the book building process, we are unable to ascertain the actual Offer size at this stage. Accordingly, such fee paid is based on an estimated Offer size of up to ₹ 2,50,00,00,000.00 (Rupees Two Hundred and Fifty Crores Only).
6. In connection with the Offer, please note the following:
- (a) **Unified Payments Interface (“UPI”)**

The Offer is currently proposed to be undertaken pursuant to the processes and procedures under phase III of the UPI framework under the relevant SEBI circulars. Further, the DRHP has been drafted in accordance with phase II of the UPI framework, and also reflects additional measures for streamlining the process of initial public offers, as prescribed under SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 read with SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, SEBI circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular no.



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SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, SEBI Circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, SEBI master circular No. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023, Circular No. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 along with the circular issued by the National Stock Exchange of India Limited having reference no. 25/2022 dated August 3, 2022 and the circular issued by BSE Limited having reference no. 20220803-40 dated August 3, 2022 and any subsequent circulars or notifications issued by SEBI or the Stock Exchanges in this regard and any other circulars issued by SEBI or any other governmental authority in relation thereto from time to time. The introduction of the UPI payment mechanism aims at reducing the time duration from offer closure to listing by up to three days (the “T+3 mechanism”) in three phases, as set out in the SEBI Circulars. The DRHP has been drafted in accordance with phase III of the UPI framework, and also reflects additional measures for streamlining the process of initial public offers, as prescribed by SEBI in its abovementioned circulars dated March 16, 2021, June 2, 2021, April 20, 2022 and August 9, 2023. Further, SEBI has, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, prescribed that applications made using the ASBA facility in initial public offerings shall be processed only after application monies are blocked in the bank accounts of investors (all categories).

In the event there are any changes in the applicable processes prescribed by SEBI with regard to implementation of UPI or any additional guidelines are issued by SEBI in relation to phase III, the Company will suitably update the Red Herring Prospectus (“RHP”) and the Prospectus.

(b) Pre- IPO Placement

The Offer comprises a Pre- IPO Placement portion of upto 33,12,985 Equity Shares aggregating to ₹ [●] lakhs (“Pre- IPO Placement”).

(c) Confirmations and information in relation to the Company, its Promoters and Promoter Group, and Group Companies

Set out below are the confirmations and information in relation to the Company, its Promoters and Promoter Group and Group Companies in terms of the SEBI directive dated March 12, 2020 issued to the Association of Investment Bankers of India:

| Sr. No. | Particulars | Response |
|---------|---|--|
| 1. | Whether the Company is registered with SEBI or any other financial regulatory body like RBI/IRDA/ etc., in any capacity. If yes, provide details. | Yes. The Company has obtained Certificate of registration dated July 31, 2018 bearing registration number INZ000166934 granted by SEBI, under Regulation 6 and Regulation 10B of SEBI (Stock Broker and Sub-Brokers) Regulations, 1992 and Certificate of registration as a participant dated July 1, 2022 bearing |



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| Sr. No. | Particulars | Response |
|---------|--|--|
| | | registration number IN-DP-699-2022 granted by SEBI under Regulation 36 of SEBI (Depositories and Participants) Regulations, 2018. |
| 2. | List of Promoters / Promoter Group companies /Group Companies registered with SEBI in any capacity along with registration details. | Except Gretex Corporate Services Limited who is registered as Merchant Banker bearing Registration Code No:INM000012177 , none of the Company's Promoters or Promoter Group or Promoter Group companies or Group Companies are registered with SEBI. |
| 3. | List of Promoters / Promoter Group companies/ Group Companies registered with any other financial regulatory body like SEBI/RBI/IRDA/ etc., in any capacity along with registration details. | Except Gretex Corporate Services Limited, none of the Company's Promoters or Promoter Group or Promoter Group companies or Group Companies are registered with SEBI/RBI/IRDA/etc in any capacity. |
| 4. | If any debt securities of Company /Group Companies are listed. If yes, the following may be provided: a. Details of the debt securities listed along with the name of the exchange on which the same are listed. b. Whether disclosure pertaining to the same made in DRHP and relevant page no. and section in which disclosure made. | Not Applicable |

(d) Confirmation in relation to securities law violation

In accordance with the terms of the SEBI directive dated June 29, 2021, issued to the Association of Investment Bankers of India and based on the confirmations received, we submit that except Adjudication Order issued under Section 15-I of Securities and Exchange Board of India Act, 1992 read with Rule 5 of SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 in respect of Shri Vatsal Agarwal and Gretex Corporate Services Private Limited in the matter of Stratmont Industries Limited, the Company, its Promoters or any of the members of the Promoter Group or Group Companies have not committed any securities market violation. Details of the above-referred Order are included in the chapter titled "Outstanding Litigations and Material Developments" on page 223 of the Draft Red Herring Prospectus.



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(e) Confirmation in relation to fraudulent borrowers, wilful defaulters and fugitive economic offenders

In accordance with the terms of the SEBI directive dated June 14, 2021, issued to the Association of Investment Bankers of India, as per the SEBI ICDR Regulations and based on the confirmations received, we submit that the Company, its Promoters and its Directors have not been declared as 'Fraudulent Borrowers' or 'Wilful Defaulters' by the lending banks or financial institution or consortium or 'Fugitive Economic Offenders' (as applicable).

(f) Information in relation to SEBI directive dated November 14, 2021, issued to the AIBI

The price at which the Equity Shares were acquired in the last three years by each of the Promoters and Promoter Group has been disclosed in the DRHP in the section "Summary of the Offer Document" on page 32 and has been certified by Statutory Auditors, M/s.Gupta Agarwal & Associates. None of the Shareholders have a right to nominate directors on the Board or have other special rights in the Company.

(g) Information in relation to SEBI directive dated November 3, 2022, issued to the AIBI

In terms Securities and Exchange Board of India (Issuing Observations on Draft Offer Documents Pending Regulatory Actions) Order, 2020 dated February 5, 2020 and the SEBI (Framework for Rejection of Draft Offer Documents) Order, 2012 dated October 9, 2012 ("**SEBI Order**"), based on the confirmations received, we submit that the SEBI Order is not applicable to the Company.

(h) Online access for material documents for inspection

Based on SEBI's directive to the AIBI dated October 22, 2021, the Company shall provide access to material documents through online means.

(i) Exemption Application

The Company has not made any application for exemption under the SEBI ICDR Regulations.

The Company has undertaken to apply to BSE Limited and National Stock Exchange of India Limited for obtaining in-principle approvals for listing and trading of the Equity Shares. In compliance with and pursuant to the SEBI ICDR Regulations, the Company undertakes to appoint a 'Designated Stock Exchange' prior to filing of the RHP with the Registrar of Companies, Mumbai ("**RoC**").

Further, please note that the disclosures in the DRHP shall be suitably updated to reflect the Company's latest restated financial results and any other developments, as may be necessary, at the time of filing of the RHP with RoC by the Company.

The Company has obtained authentication on the SCORES and shall comply with the SEBI circular (CIR/OIAE/1/2013) dated April 17, 2013, SEBI circular (CIR/OIAE/1/2014) dated December 18, 2014 and SEBI circular (SEBI/HO/OIAE/IGRD/CIR/P/2021/642) dated October 14, 2021 in relation to redressal of investor grievances through SCORES.

All capitalised terms used herein and not specifically defined have the same meaning as ascribed to such



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terms in the DRHP.

We request you to kindly provide your observations on the DRHP. Should you require any further information or clarification, please contact any of the following official of Pantomath Capital Advisors Private Limited:

| Contact Person | Telephone | E-mail |
|------------------------|---------------------|--|
| Ms. Ruchira Singhanian | Mob: +91 9594188433 | ruchira.singhanian@pantomathgroup.com |

For Pantomath Capital Advisors Private Limited



Ruchira Singhanian

Senior Manager

Contact Number: +91 9594188433

Email: ruchira.singhanian@pantomathgroup.com

Encls: Annexures as above



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ANNEXURE I

December 14, 2023

Securities and Exchange Board of India

Corporation Finance Department

Division of Issues and Listing

Plot No.C4-A, 'G' Block

Bandra-Kurla Complex, Bandra (East),

Mumbai - 400051, Maharashtra

Dear Sirs,

Sub: Proposed initial public offering of up to 1,67,81,915 Equity Shares of face value of ₹ 10 each (“Equity Shares”) of Gretex Share Broking Limited (“the Company” or “the Issuer”) for cash at a price of ₹ [●] per Equity Share (including a premium of ₹[●] per Equity Share) (“Issue Price”) aggregating up to ₹ [●] lakhs (the “Fresh Issue”) and an Offer For Sale of up to 30,96,000 Equity Share by the Selling Shareholders, Sashi Harlalka, Sumeet Harlalka and Alok Harlalka HUF, aggregating upto ₹ [●] (the “Selling Shareholders”) (the “ Offer For Sale”, and together with the Fresh Issue, the “Offer”)

Pursuant to Regulation 25(2)(a) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“**SEBI ICDR Regulations**”), we hereby confirm that we have entered into an agreement with the Company and the Selling Shareholders in connection with the Offer in accordance with Regulation 23(5) and the format prescribed under Schedule II of the SEBI ICDR Regulations (“**Offer Agreement**”). The Offer Agreement has been executed on December 14, 2023.

All capitalised terms used herein and not specifically defined have the same meaning as ascribed to such terms in the draft red herring prospectus dated December 14, 2023 in relation to the Offer.

Thanking you,

For Pantomath Capital Advisors Private Limited



Ruchira Singhania

Senior Manager

Contact Number: +91 9594188433

Email: ruchira.singhania@pantomathgroup.com



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Annexure II

December 14, 2023

Securities and Exchange Board of India

Corporation Finance Department

Division of Issues and Listing

Plot No.C4-A, 'G' Block

Bandra-Kurla Complex, Bandra (East),

Mumbai - 400051, Maharashtra

Dear Sirs,

Sub: Proposed initial public offering of up to 1,67,81,915 Equity Shares of face value of ₹ 10 each (“Equity Shares”) of Gretex Share Broking Limited (“the Company” or “the Issuer”) for cash at a price of ₹ [●] per Equity Share (including a premium of ₹[●] per Equity Share) (“Issue Price”) aggregating up to ₹ [●] lakhs (the “Fresh Issue”) and an Offer For Sale of up to 30,96,000 Equity Share by the Selling Shareholders, Sashi Harlalka, Sumeet Harlalka and Alok Harlalka HUF aggregating upto ₹ [●] (the “Selling Shareholders”) (the “ Offer For Sale”, and together with the Fresh Issue, the “Offer”) .

We, Pantomath Capital Advisors Private Limited, as the Book Running Lead Manager (the “**BRLM**”), confirm that:

1. We have examined various documents including those relating to litigation, including commercial disputes, intellectual property rights disputes, disputes with collaborators etc. and other material while finalising the Draft Red Herring Prospectus dated December 14, 2023 (“**DRHP**”) pertaining to the Offer;
2. On the basis of such examination and discussions with the Company, Selling Shareholders, its Directors and other officers, other agencies, and independent verification of the statements concerning the objects of the Offer, price justification, contents of the documents and other papers furnished by the Company and the Selling Shareholders we confirm that:
 - (a) the DRHP filed with the Securities and Exchange Board of India (“**SEBI**”) is in conformity with the documents, materials and papers which are material to the Offer;
 - (b) all material legal requirements relating to the Offer as specified by SEBI, the Central Government and any other competent authority in this behalf have been duly complied with; and
 - (c) the material disclosures made in the DRHP are true and adequate to enable the investors to make a well informed decision as to the investment in the proposed Offer and such disclosures are in accordance with the requirements of the Companies Act, 2013, the Securities and Exchange Board



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of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“**SEBI ICDR Regulations**”) and other applicable legal requirements.

3. Besides ourselves, all intermediaries named in the DRHP are also registered with SEBI and that till date, such registration is valid. **Complied with and noted for compliance.**
4. We have satisfied ourselves about the capability of the underwriters to fulfil their underwriting commitments. **Noted for compliance.**
5. Written consent from the Promoters have been obtained for inclusion of their Equity Shares as part of the promoters’ contribution subject to lock-in and the Equity Shares proposed to form part of the promoters’ contribution subject to lock-in shall not be disposed or sold or transferred by the Promoters during the period starting from the date of filing the DRHP with SEBI until the date of commencement of lock-in period as stated in the DRHP. **Complied with and noted for compliance.**
6. All applicable provisions of the SEBI ICDR Regulations, which relate to Equity Shares ineligible for computation of promoters’ contribution, have been and shall be duly complied with and appropriate disclosures as to compliance with the SEBI ICDR Regulations have been made in the DRHP. **Complied with and noted for compliance.**
7. All applicable provisions of the SEBI ICDR Regulations which relate to receipt of promoters’ contribution prior to opening of the Offer, shall be complied with. Arrangements have been made to ensure that the promoters’ contribution shall be received at least one day before the opening of the Offer and that the auditors’ certificate to this effect shall be duly submitted to SEBI. We further confirm that arrangements have been made to ensure that the promoters’ contribution shall be kept in an escrow account with a scheduled commercial bank and shall be released to the Company along with the proceeds of the Offer. **Not applicable.**
8. Necessary arrangements shall be made to ensure that the monies received pursuant to the Offer are credited or transferred to in a separate bank account as per the provisions of sub-section (3) of Section 40 of the Companies Act, 2013 and that such monies shall be released by the said bank only after permission is obtained from all the Stock Exchanges, and that the agreement entered into between the Bankers to the Offer and the Company specifically contains this condition. **Noted for compliance.**
9. The existing business as well as any new business of the issuer for which the funds are being raised fall within the ‘main objects’ in the object clause of the Memorandum of Association or other charter of the Company and that the activities which have been carried in the last ten years are valid in terms of the object clause of the Memorandum of Association. **Complied with to the extent applicable.**
10. Following disclosures have been made in the DRHP: **Complied with to the extent applicable.**
 - (a) An undertaking from the Company that at any given time, there shall be only one denomination for the Equity Shares of the Company, excluding SR equity shares, where the Company has outstanding SR equity shares, and
 - (b) An undertaking from the Company that it shall comply with all disclosure and accounting norms specified by SEBI.

The Company does not have SR equity shares as on date.



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11. We shall comply with the regulations pertaining to advertisements in terms of the SEBI ICDR Regulations. **Noted for compliance.**
12. If applicable, the Company is eligible to list on the innovators growth platform in terms of the provisions of Chapter X of the SEBI ICDR Regulations. **Not applicable.**

We enclose a note explaining the process of due diligence that has been exercised by us including in relation to the business of the Company, the risks in relation to the business, experience of the Promoters and that the related party transactions entered into for the period disclosed in the DRHP have been entered into by the Company in accordance with applicable laws- **Please refer to the Due Diligence Process Note enclosed as Annexure II-A.**

We enclose a checklist confirming regulation-wise compliance with the applicable provisions of the SEBI ICDR Regulations, containing details such as the regulation number, its text, the status of compliance, page number of the DRHP where the regulation has been complied with and our comments, if any- **Please refer to Annexure II-B.**

All capitalised terms used herein and not specifically defined have the same meaning as ascribed to such terms in the DRHP.

Encl.: Annexures as above

Place: Mumbai

For Pantomath Capital Advisors Private Limited



Ruchira Singhania

Senior Manager

Contact Number: +91 9594188433

Email: ruchira.singhania@pantomathgroup.com



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ANNEXURE II-A

Due diligence process note:

We, the BRLM, have carried out due diligence on the Company for the purpose of complying with the requirement of SEBI ICDR Regulations and other applicable laws, and to the extent that it is customary for initial public offerings of this nature in India, along with other professionals and experts engaged in this Offer. All capitalized terms used herein and not specifically defined shall have the same meanings ascribed to such terms in the Draft Red Herring Prospectus dated December 14, 2023 (“**DRHP**”).

The due diligence process carried out by us and the Legal Counsel (defined below) commenced with interactions with the Promoters, Directors and Key Managerial Personnel of the Company to gain an understanding of the business of the Company, key risks involved, background of the Promoters and financial overview, amongst others. In this regard, we provided the Company with a due diligence questionnaire and information requisition list prepared in consultation with the Legal Counsel (defined below). In response to the questionnaire and the information requisition list, the Company provided us with supporting documents for review and diligence and explanations with respect to our queries. In order to facilitate such review, the Company set up an online data room where copies of such relevant documents were made available for undertaking the due diligence.

In the due diligence process, we were assisted by Kanga & Company, Advocates and Solicitors as the legal counsel to the Offer (the “**Legal Counsel**”) and the Statutory Auditor (defined below). The Legal Counsel has assisted the Book Running Lead Manager in carrying out the legal due diligence and drafting of the DRHP in compliance with the SEBI ICDR Regulations, and advising the Book Running Lead Manager and the Company on other legal matters, in relation to the Offer, including for the purpose of issuing legal opinions in relation to the Offer to the Book Running Lead Manager. We were also assisted by the statutory auditor of the Company, M/s. Gupta Agarwal & Associates, Chartered Accountants (“**Statutory Auditors**”), for the financial due diligence. The Statutory Auditors have verified details and provided certifications with respect to certain other information included in the DRHP. In addition, the Statutory Auditors have provided a statement of possible special tax benefits to the Company and its shareholders, and/or has verified and certified certain matters relating to, *inter alia*, the computation of Company’s operating profit/loss, eligibility for the Offer, accounting ratios, compliance with corporate governance requirements by the Company, average cost of acquisition of equity shares by the Selling Shareholders, weighted average cost of acquisition of equity shares held by the Promoters and Promoter Group details of any amounts outstanding to micro, small and medium enterprises, material creditors and other creditors of the Company. The Statutory Auditors have also provided examination reports in relation to the Restated Consolidated Financial Statements of the Company. The Statutory Auditors have confirmed that they hold valid peer review certificate issued by the peer review board of the Institute of Chartered Accountants of India. The Statutory Auditor has consented to be named as an expert, in terms of the Companies Act, 2013, in the DRHP.

1. Business and Commercial Diligence



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The due diligence process in relation to general business and commercial matters included:

- (a) Organizing and attending the discussions both physical and virtual to understand the business of the Company, industry, history of the Company, its Subsidiary, Group Companies and other related matters. The discussions were attended by the Promoters, Directors, Company Secretary and Compliance Officer of the Company and representatives of Book Running Lead Manager, Legal Counsel and Statutory Auditors. A broad overview of the business of the Company, the industry in which it operates, regulatory framework with respect to the business, the corporate structure, the capital structure, and financial statements, its shareholding pattern and details of the Promoters of the Company was presented to us and the Legal Counsel followed by interactive discussions;
- (b) Requesting the Company to provide all relevant documents in the virtual data room based on the diligence requirements and requirements under applicable law, including the SEBI ICDR Regulations, and reviewing such documents along with the Legal Counsel, as is customary in such transactions;
- (c) Regularly interacting with the senior management of the Company as well as the senior personnel from the secretarial, legal and finance departments and in certain cases, the Statutory Auditors, for the purpose of gaining an understanding of the business, the risks involved and the financial overview of the Company, amongst other matters. These interactions included (i) virtual and physical due diligence meetings and calls, drafting sessions and conference calls to discuss the disclosures in the DRHP, (ii) due diligence calls with the Statutory Auditors; (iii) seeking appropriate clarifications and certifications from the Company for key financial, operational data and other information; (iv) bring down due diligence calls to receive updated information from the Company before filing the DRHP; (v) seeking appropriate certifications from Statutory Auditor for key operational data, amongst others (vi) seeking appropriate certification from the Company, Directors, Promoters, Key Managerial Personnel and Group Companies, among others, for certain other information; (vii) interacting with the industry consultant, CARE Analytics and Advisory Private Limited (“CareEdge Advisory”), for the purposes of industry report used in the DRHP; and (viii) holding a due diligence call with CareEdge Advisory. Further, we received certificates from Selling Shareholders, to prepare disclosures in the DRHP in relation to the Selling Shareholders and their Offered Shares. These interactions were conducted with an objective to assist the Company to prepare disclosures as required under the SEBI ICDR Regulations, the Companies Act, 2013, and other applicable laws with regard to the Offer. We expect these interactions and due diligence calls and discussions to continue until closure of the Offer. Accordingly, disclosures in respect of the business carried out by the Company as well as associated risks in relation thereto, have been made in the sections titled “Our Business” and “Risk Factors” beginning on pages 151 and 35, respectively, in the DRHP;
- (d) We also interacted with the Chairman & Joint Managing Director, the Managing Director and certain other officers and key personnel of the Company, to understand the Company’s day to day operations and to verify the disclosures being made in the DRHP
- (e) Obtaining and relying on certificates and formal representations and undertakings from the Company, Directors, Promoters, members of the Promoter Group, Key Managerial Personnel, Statutory Auditors, and other documents, including extracts of report by independent industry sources, in support of certain disclosures included in the DRHP;



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- (f) Obtaining and relying on formal representations and undertakings from the Company and the Selling Shareholders in the Offer Agreement;
- (g) For certain information, relying on management certificates from the Company for ensuring compliance with the SEBI ICDR Regulations;
- (h) Obtaining circle-ups from the Statutory Auditors on financial information and certain finance related information, key performance indicators, business related information of the Company included in the DRHP, securities premium amount before the Offer, pre- Offer Capitalisation statement of the Company, Risk Factors, Basis of Offer Price, Other Financial Information, Management's Discussion and Analysis of Financial Condition and Results of Operations and the outstanding financial indebtedness of the Company, among others;
- (i) Reviewed, together with the Legal Counsel, material agreements/contracts executed by, or in relation to, the Company and such other documents as we have deemed necessary and as have been provided to us by the Company, from time to time; and
- (j) Visiting the Company's registered office at , A-401, Floor 4th, Plot FP-616, (PT), Naman Midtown, Senapati Bapat Marg, Near Indiabulls Dadar (west), Delisle Road, Mumbai 400013, Maharashtra, India.

2. Industry Information

We have relied on industry and market data derived from the research report titled “**Capital Markets & Stock Broking**” (such report the “**CareEdge Report**”) dated December 2023, which has been commissioned by the Company for the purposes of confirming its understanding of the industry in connection with the Offer. The CareEdge Report has been commissioned and paid for by the Company and has been prepared exclusively for the purposes of disclosures in the “Industry Overview” section of the offer documents. We have also interacted with CareEdge Advisory and held calls and received responses from them in relation to certain questions in relation to the contents of the CareEdge Report. The industry related information contained in certain sections of the DRHP, including “*Risk Factors*” “*Industry Overview*”, “*Our Business*” and “*Management's Discussion and Analysis of Financial Condition and Result of Operations*” beginning on pages 35, 106, 151 and 208, respectively of the DRHP, have been included from this report.

The CareEdge Report will be available on the website of the Company at www.gretexbroking.com, in accordance with applicable law and has been included as one of the documents that will be available as a material document for inspection.

3. Outstanding Litigation Proceedings and Material Creditors

We have disclosed outstanding litigations involving the Company, the Directors, the Promoters, Group Companies and Subsidiary, as applicable, as required under the SEBI ICDR Regulations and in accordance with the policy on materiality approved by the Board of Directors vide resolution dated September 5, 2023 (“**Materiality Policy**”). In accordance with the Materiality Policy, the outstanding legal proceedings involving the Company, the Promoters, the Directors and/or the Subsidiary and the Group Companies will be considered as material if the aggregate amount involved exceeds 1% of the profit after tax of the Company in the most recently completed year as per the Restated Consolidated Financial Statements disclosed in the DRHP, or outstanding litigations or arbitrations where monetary



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liability is not quantifiable, or which does not fulfil the threshold mentioned above, but whose outcome could have a material adverse effect on the business, operations, prospects, financial position or reputation of the Company.

The Company has provided relevant supporting documents for material outstanding litigation (as explained above and as required for purposes of due diligence of the Book Running Lead Manager). Further, we have had discussions with the management of the Company on the status of various outstanding litigation involving the Company, its Promoters, its Directors the Subsidiary and Group Companies.

Further, with respect to outstanding dues to micro, small and medium enterprises, material creditors and other creditors of the Company, the Company had 1 creditor (also material creditor) and amounts due to such creditor, as on July 31, 2023, has been made in the DRHP. Further, in compliance with the SEBI ICDR Regulations, the details pertaining to the outstanding dues to material creditors as on July 31, 2023, are also available on the website of the Company at www.gretexbroking.com.

4. Financial Information of the Company and Financial Indebtedness

We conducted due diligence on financial matters, which included meetings and due diligence calls with the Statutory Auditor, discussions with the finance department of the Company, review of the auditors' reports and other related documents. The Statutory Auditor has provided the Restated Consolidated Financial Statements, which were prepared in accordance with the Companies Act, 2013, Ind AS and restated in accordance with the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised) 2019 issued by the ICAI for the Fiscals ended March 31, 2023, March 31, 2022 and March 31, 2021 and the 4 (four) months period ended July 31, 2023.

We have reviewed the Statutory Auditors' reports and obtained certifications with respect to certain financial information included in the DRHP from the Statutory Auditors. Further, the Statutory Auditors were required to review the financial information relating to the Company in the DRHP and have confirmed the same via Circle-ups to the Book Running Lead Manager confirming the accuracy of the financial information contained in the DRHP.

In addition, as per the requirements of the SEBI ICDR Regulations, the Company has uploaded the audited financial statements of the Company for the 4 (four) months period ended July 31, 2023 and for Fiscals ended March 31, 2023, March 31, 2022 and March 31, 2021 together with all annexures, schedules and notes thereto on its website at www.gretexbroking.com. We have also obtained certifications from the Statutory Auditors in respect of certain financial matters pertaining to the Offer and the DRHP. Disclosures regarding the subsidiaries have been provided in the DRHP, as per the applicable laws, rules and regulations.

Further, as per the provisions of the SEBI ICDR Regulations, the Company is required to provide link of the website of the top five Group Companies of the Company based on turnover where financial information of such Group Companies has been disclosed. Accordingly, the financial information of the only 4(four) Group Companies of the Company has been disclosed on www.gretexbroking.com.

The Company has no borrowings.

The Statutory Auditors have also confirmed on computation of the Company's net worth, operating profit/loss and net tangible assets, each on a restated basis, to assess eligibility of the Company to



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undertake the Offer under Regulation 6(1) of the SEBI ICDR Regulations. We have relied on the statement of possible special tax benefits to the Company and its shareholders issued by the Statutory Auditors.

5. Objects of the Offer

The Company proposes to utilize the Net Proceeds towards funding for Funding working capital requirements of the Company and towards general corporate purposes.

6. Promoters, Promoter Group, Group Companies, Directors, Key Managerial Personnel and Senior Management Personnel of the Company and the Selling Shareholders

For the purposes of making certain disclosures with respect to the Promoters, the Promoter Group, Group Companies, Directors and the Key Management Personnel and the Senior Managerial Personnel of the Company and the Selling Shareholders in the DRHP, we have obtained supporting documents and certifications from the relevant entities/persons.

In relation to the educational qualifications, previous employment and professional experience of Directors, key managerial personnel and the Senior Managerial Personnel of the Company, we have relied on relevant degree certificates, appointment and relieving letters or other back-ups.

The term “group companies” under the SEBI ICDR Regulations includes companies (other than the promoters and any subsidiaries) with which there were related party transactions, during the period for which financial information is disclosed in the offer documents, as covered under the applicable accounting standards, and also other companies as considered material by the Board of Directors of the Company. The Board of Directors of the Company has, through a resolution passed at its meeting held on September 5, 2023, adopted a materiality policy for identification of material group companies (“**Materiality Policy**”). In terms of the aforementioned Materiality Policy, companies which are a part of the Promoter Group (as defined in the SEBI ICDR Regulations) with whom the Company has entered into one or more transactions during Fiscal 2023, if any, the monetary value of which individually or cumulatively exceeds 10% of the total revenue of the Company for the relevant period as per the Restated Consolidated Financial Statements shall also be considered as group companies of the Company.

Accordingly, the Board of Directors have identified the following entities as the group companies in accordance with the SEBI ICDR Regulations and the details of such companies are set out in the section “*Our Group Companies*” of the DRHP:

1. Gretex Industries Limited;
2. Apsara Selections Limited;
3. Sankhu Merchandise Private Limited; and
4. Sunview Nirman Private Limited.

In addition, we have received confirmation from the Company, Directors, Promoters, members of the Promoter Group and the Selling Shareholders stating that they are not prohibited from accessing the capital markets or debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any other securities market regulator in any other jurisdiction or any other



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authority/court. We have received a confirmation from the Selling Shareholders, Promoters and Directors of the Company that they are not a promoter or director of any other company which is debarred from accessing the capital market by SEBI. Further, we have received confirmation from the Company, its Promoters, its Directors and Selling Shareholders that they are not declared as wilful defaulters or fraudulent borrowers as defined under the SEBI ICDR Regulations. Further, we have received confirmation from the Company, the Promoters and the other members of the Promoter Group, who hold shares in the Company of their compliance with the Companies (Significant Beneficial Owners) Rules, 2018, as regards their shareholding in the Company. Further, confirmations have been taken from Directors that they are not or have not been directors in any of the listed companies which have been/ were delisted from the stock exchange(s). Further confirmations have been taken from the Directors that they are not or have not been directors in any of the listed companies whose shares have been/were suspended from being traded on BSE Limited and/or the National Stock Exchange of India Limited during the period of five years before the date of the DRHP. Further, we have received confirmations from the Selling Shareholders, Directors and Promoters that they are not identified as a 'fugitive economic offender' as defined under the SEBI ICDR Regulations.

7. Statutory and/or Regulatory and Other Diligence

In connection with diligence of statutory and regulatory matters, we have, with the assistance of the Legal Counsel, reviewed the relevant statutory and regulatory records of the Company, including, among other things, relevant corporate records, approvals, and filings made by the Company with various statutory and regulatory authorities.

We have, with the assistance of the Legal Counsel, reviewed material licenses, approvals (including labour approvals), registrations, applied for and/or received by the Company and property documents executed by the Company to undertake its business activities as mentioned above. We have relied on the list of material licenses, properties, approvals and registrations of Company, identified by the Company for purposes of our due diligence.

We have also relied on representations and certifications provided by the Company, in connection with such statutory and/or regulatory matters. We have also reviewed material agreements executed by, or in relation to, the Company and such other documents as we have deemed necessary and as have been provided to us by the Company, from time to time.

8. Build-up of existing share capital of the Company

In relation to the build-up of the existing share capital of the Company, we have reviewed the statutory forms and resolutions filed with the RoC and statutory registers and minutes prepared and maintained by the Company.

9. Price information of past issues handled by the BRLM

We have relied on the information available on the websites of National Stock Exchange of India Limited and/or BSE Limited for preparing the statement of price information of the past issues handled by the BRLM which has been included at page 237 of the DRHP.

All capitalised terms used herein and not specifically defined have the same meaning as ascribed to such terms in the draft red herring prospectus dated December 14, 2023 in relation to the Offer.



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ANNEXURE II-B

Checklist confirming regulation-wise compliance with the applicable provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended.

