

FORM G- LEAD MANAGER DUE DILIGENCE CERTIFICATE

Date: July 12, 2024

To,
Securities and Exchange Board of India
Corporate Finance Department
SEBI Bhavan, Plot No.C4-A,
“G” Block, BKC, Bandra East
Mumbai – 400 051

SUB: PUBLIC ISSUE 67,44,000 EQUITY SHARES OF FACE VALUE RS. 10 EACH OF RNFI SERVICES LIMITED
"OUR COMPANY" OR THE "ISSUER")

We Choice Capital Advisors Private Limited confirm that:

- (1) None of the intermediaries named in the offer document are debarred from functioning by any regulatory authority.
- (2) The abridged prospectus contains all disclosures as specified in these regulations.
- (3) All material disclosures in respect of the issuer have been made in the offer document and that any material development in the issuer or relating to the issue up to the commencement of listing and trading of the specified securities offered through this issue shall be informed through public notices/advertisements in all those newspapers in which pre-issue advertisement and advertisement for opening or closure of the issue have been given.
- (4) Agreements have been entered into with the depositories for dematerialisation of the specified securities of the issuer.
- (5) The underwriting and market making arrangements as per requirements of regulation 261 and 262 of these regulations have been made.
- (6) The issuer has redressed at least ninety-five per cent. of the complaints received from the investors till the end of the quarter immediately preceding the month of the filing of the offer document with the Registrar of Companies with the SME Exchange.

All capitalized terms used herein and not specifically defined shall have the same meaning ascribed to such terms in the RHP.

Yours faithfully

For and on behalf of **Choice Capital Advisors Private Limited**

RATIRAJ
TIBREWAL

Digitally signed by
RATIRAJ TIBREWAL
Date: 2024.07.12
21:24:57 +05'30'

Authorised Signatory
Name: **Ratiraj Tibrewal**
Designation: **Director**
Contact Number: **+91 9307242424**
Email: **ratiraj@choiceindia.com**

DUE DILIGENCE CERTIFICATE

Date: July 12, 2024

To,
Securities and Exchange Board of India
Corporate Finance Department
SEBI Bhavan, Plot No.C4-A,
“G” Block, BKC, Bandra East
Mumbai – 400 051

SUB: INITIAL PUBLIC OFFER (“ISSUE”) OF RNFI SERVICES LIMITED (“COMPANY” OR “ISSUER”) OF UPTO 67,44,000* EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH, AGGREGATING TO ₹ [●] LAKHS UNDER THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS), 2018 (“SEBI ICDR REGULATIONS”).

** Subject to finalisation of the Basis of Allotment.*

We, Choice Capital Advisors Private Limited, (“**Book Running Lead Manager**” or “**BRLM**”), appointed by the Company as Book Running Lead Manager to manage the Issue, confirm that-

1. We have examined various documents including those relating to litigation, including commercial disputes, patent disputes, disputes with collaborators, etc. and other material while finalising the Offer Document pertaining to the Issue: Complied to the extent applicable
2. On the basis of such examination and the discussions with the Company, its Directors and other officers, other agencies, and independent verification of the statements concerning the objects of the Issue, price justification, contents of the documents and other papers furnished by the Company, we confirm that:
 - (i) the Offer Document filed with the Board is in conformity with the documents, materials and papers which are material to the Issue;
 - (ii) all material legal requirements relating to the Issue as specified by the SEBI, the Central Government and any other competent authority in this behalf have been duly complied with; and
 - (iii) the material disclosures made in the Offer Document are true and adequate to enable the investors to make a well-informed decision as to the investment in the proposed Issue and such disclosures are in accordance with the requirements of the Companies Act, 2013, as amended, SEBI ICDR Regulations and other applicable legal requirements.
3. Besides ourselves, all the intermediaries named in the Offer Document are registered with the SEBI and that till date, such registrations are 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 Offer

Document with NSE till the date of commencement of lock-in period as stated in the Offer Document: Complied with and noted for compliance.

6. All applicable provisions of the SEBI ICDR Regulations, which relates 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 said regulation(s) have been made in the Offer Document: Complied with and noted for compliance.
7. All applicable provisions of these regulations which relate to receipt of promoters' contribution prior to opening of the issue, 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 issue and that the auditors' certificate to this effect shall be duly submitted to the Board. 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 issuer along with the proceeds of the issue: Not Applicable.
8. Necessary arrangements shall be made to ensure that the monies received pursuant to the Issue 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 Issue and the Company specifically contains this condition: Noted for compliance. All the monies received out of the issue shall be credited/ transferred to separate Bank Account as referred to in sub-section (3) of Section 40 of the Companies Act, 2013.
9. The existing business as well as any new business of the Company for which funds are being raised fall within the 'main objects' in the object clause of the Memorandum of Association ("MoA") of the Company or the charter of the Company and that the activities which have been carried since incorporation / in the last seven (7) years are valid in terms of the object clause of the MoA: Complied with to the extent applicable.
10. Following disclosures have been made in the RHP:
 - (i) 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: Complied with to the extent applicable and noted for compliance. There are no SR equity shares issued by the Company; and
 - (ii) An undertaking from the Company that it shall comply with all disclosure and accounting norms specified by the SEBI from time to time: Noted for compliance.
11. We shall comply with the regulations pertaining to advertisements in terms of the SEBI ICDR Regulations: Noted for compliance.
12. If Applicable, the entity is eligible to list on the innovators growth platform in terms of the provisions of Chapter X of SEBI ICDR Regulations: Not applicable.

We enclose in **Annexure III (A)**, a note explaining how the process of due diligence has been exercised by us, including in relation to the business of the Issuer, the risks in relation to the business, experience of the Promoters and the related party transactions entered into for the period disclosed in the Offer Document that have been entered into by the Issuer in accordance with applicable laws.

We enclose in **Annexure III (B)**, 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 Offer Document where the regulation has been complied with and our comments, if any.

We enclose in **Annexure III (C)**, a Price information of past issues handled by the BRLM as per the format prescribed by SEBI.

All capitalized terms used herein and not specifically defined shall have the same meaning ascribed to such terms in the RHP.

Thanking you,

Sincerely,

For and on behalf of
For Choice Capital Advisors Private Limited

RATIRAJ
TIBREWAL

Digitally signed by
RATIRAJ TIBREWAL
Date: 2024.07.12
21:30:33 +05'30'

Name: Ratiraj Tibrewal
Designation: Director & CEO
Contact Number: 9307242424
Email: ratiraj@choiceindia.com

ANNEXURE III A

Note explaining the process of due diligence that has been exercised

We have carried out due diligence exercise on the Company for the purposes of complying with the requirements of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“**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 the Issue. All capitalised terms used herein and not specifically defined shall have the same meaning ascribed to such terms in the Offer Document.

The due diligence process carried out by us and the Legal Counsel (defined below) commenced with in-person and virtual interactions with the Promoters, Managing Director and Chief Financial Officer, Company Secretary and Compliance Officer of the Company to gain an understanding of the business of the Company, key risks involved, background of the Promoters and shareholders and financial overview of the Company, amongst others. In this regard, the Company was provided with a due diligence questionnaire and information requisition list prepared in consultation with the Legal Counsel (defined below). The Company provided supporting documents for review, diligence and gave explanations for queries raised. 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 the Legal Counsel, (defined below) and the Auditors (defined below). In this regard Vidhigya Associates, Advocates was appointed as the legal counsel to the Issuer Company, the Promoters and BRLM as to Indian law (“**Legal Counsel**”). The Legal Counsel has assisted us in carrying out the legal due diligence and drafting of the RHP in compliance with the SEBI ICDR Regulations, and advising the Company and us on other legal matters, in relation to the Issue, including for the purpose of issuing legal opinions in relation to the Issue to the BRLM, as applicable.

We were assisted by the current statutory auditor of the Company, M/s. Vikash A. Jain & Co., Chartered Accountants (“**Statutory Auditor**”) for the financial due diligence. In addition to preparation of the Restated Financial Information and providing examination report thereon, the Statutory Auditor has also provided certificate on statement of possible special tax benefits. He has also verified details and provided certifications relating to *inter alia* the computation of the Company’s restated net tangible assets (including the percentage thereof which are held in monetary assets), average restated operating profits, and restated net worth, to ascertain the eligibility for the Issue, weighted average cost of acquisition and certain other certifications with respect to financial information included in the RHP. M/s Dhariwal & Thakkar, Chartered Accountants, has provided certificate on key performance indicators and capitalisation statement for the purpose of inclusion in RHP as Independent Chartered Accountants. The Statutory Auditor, M/s. Vikash A. Jain & Co., holds valid peer review certificate issued by the peer review board of the Institute of Chartered Accountants of India. M/s Dhariwal & Thakkar, Chartered Accountants, holds valid peer review certificate issued by the peer review board of the Institute of Chartered Accountants of India.

M/s. Vikash A. Jain & Co., Chartered Accountants Statutory Auditor and M/s Dhariwal & Thakkar, Chartered Accountants, Independent Chartered Accountants have consented to be named as an expert, in terms of the Companies Act, 2013, in the DRHP and such consents have not been withdrawn as at the date of filing of the RHP with the NSE.

We have relied on the industry and market data derived from the government websites, extracted from publicly available information, data and statistics, derived from various government publications and

industry sources. The information contained in certain sections of the RHP, including “Risk Factors”, “Industry Overview”, “Our Business” and “Management’s Discussion and Analysis of Financial Condition and Result of Operations”, have been included from these sources.

1. Business and Commercial Diligence

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

- (a) Organizing and attending kick-off meeting, transaction related calls with the Company officials including the, Promoters, Managing Director, Chief Financial Officer, Company Secretary and Compliance Officer, to develop an understanding of the business of the Company, industry, regulatory environment, history of the Company and other related matters. The discussion was attended by the representatives of the Legal Counsel, representatives of the BRLM and the Statutory Auditor. A broad overview of the business of the Company, industry in which it operates, regulatory framework with respect to the business, the corporate structure, the capital structure, and financial statements and shareholding pattern of the Company was presented followed by interactive discussions. A physical visit of the registered office, of the Company was conducted as a part of our diligence.
- (b) Regularly interacting with the senior management of the Company including the Promoters, Directors, as well as the personnel from the finance, secretarial and legal departments such as the Chief Financial Officer, Company Secretary and Compliance Officer of the Company for the purpose of understanding the business, the risks involved and the financial overview of the Company, amongst other matters. These interactions included (i) virtual due diligence meetings, online drafting sessions and conference calls to discuss the disclosures in the Offer Document, (ii) due diligence calls with the Statutory Auditor (iii) seeking appropriate clarifications and certifications from the Company, the Statutory Auditor, operational data and other information; and (iv) seeking appropriate certifications from the Company, its Directors, Promoters, Promoter Group, Group Companies, Key Managerial Personnel, and Statutory Auditors. These interactions were conducted with an objective to assist the Company to prepare disclosures as required under the SEBI ICDR Regulations, the Companies Act and other applicable laws with regard to the Issue. 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” in the Offer Document. We expect these interactions and due diligence calls and discussions to continue until completion of the Issue.
- (c) Requesting the Company to make available the due diligence documents in virtual data room and reviewing those documents along with the Legal Counsel, based on the requirements under the SEBI ICDR Regulations and other applicable laws, as is customary in such transactions.
- (d) Virtual / telephonic interactions with the Key Managerial Personnel and to understand the Company’s day to day operations and to verify the disclosures being made in the Offer Document.
- (e) Obtaining and relying on certificates from the Company, Directors, Promoters, Promoter Group, Group Companies, Key Management Personnel, Statutory Auditor, and other documents, in support of certain disclosures made in the Offer Document.

- (f) Obtaining and relying on formal representations and undertakings from the Company and the shareholders in the Issue Agreement.
- (g) For certain information, relying on management certificates from the Company for ensuring compliance with the SEBI ICDR Regulations.
- (h) Obtaining and relying on circle-ups from the Statutory Auditor on financial information and certain finance related information included in the Offer Document as well as on certain financial, non-financial, operational and other business related information of the Company mentioned in the Offer Document which were not part of the Restated Financial Statements.
- (i) Reviewing, together with the Legal Counsel, certain business related agreements and documents entered into to verify the disclosures made in this regard in the Offer Document. Where such agreements, were large in number and standard in form, we have carried out our review on a sample basis to verify the disclosures made in this regard in the Offer Document.
- (j) Reviewing, together with the Legal Counsel, the 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.

2. Industry Information

We have relied on the industry and market data derived from the government websites, extracted from publicly available information, data and statistics and derived from various government publications and industry sources. The information contained in certain sections of the Offer Document, including “Risk Factors”, “Industry Overview”, “Business Overview” and “Management’s Discussion and Analysis of Financial Condition and Result of Operations”, have been included from this sources.

3. Outstanding Litigation Proceedings and Material Creditors

The Company has disclosed outstanding litigation involving the Company, Directors, Promoters, Group Companies (as applicable) on the basis of the legal requirements under the SEBI ICDR Regulations and the Companies Act, 2013 and in accordance with the policy on determination of material litigation approved by the Board of Directors of the Company in its meeting held on March 16, 2024. The materiality threshold in relation to litigation proceedings as approved by the Board of Directors of the Company has been disclosed in the Offer Document.

The Offer Document includes outstanding litigations: (i) outstanding criminal proceeding involving our Company, our Directors or our Promoters (collectively the “Relevant Parties”); (ii) actions taken by statutory and/or regulatory authorities involving the Relevant Parties; (iii) outstanding claims related to direct or indirect taxes liabilities (disclosed in a consolidated manner giving the total number of claims and total amounts involved) involving the Relevant Parties; (iv) other pending litigation involving the Relevant Parties (other than those covered in points (i) to (iii) above) which have been determined to be material by our Board pursuant to the Materiality Policy; which may have a material impact on the business operations, prospects or reputation of our Company.

Based on the Materiality Policy adopted by the Board of Directors, disclosures on material and other creditors have been included in the Offer Document. The disclosures on dues to other creditors and to micro, small or medium enterprise (as defined under the Micro, Small and Medium Enterprises Development Act, 2006) have been provided indicating the total number of, and aggregate outstanding amounts due to such creditors, based on the certificate obtained from the Statutory Auditor.

Interactions were conducted with the management of the Company to understand the status of material pending proceedings involving the Company. The Company has provided a list of outstanding litigations involving the Company and relevant supporting documents for material outstanding litigation as per the Materiality Policy. Outstanding legal proceedings in relation to direct and indirect taxes have been disclosed in a consolidated manner giving details of number of cases and total amount involved in such proceedings. With respect to the outstanding litigation involving the Promoters and Directors, and relevant certificates have been obtained from the Company's Promoters and Directors, solely based on which appropriate disclosures, as the case may be, have been included in the Offer Document.

4. Financial Information of the Company and Financial Indebtedness

Due diligence was conducted on financial matters, which included virtual meetings and due diligence calls with the Statutory Auditor, discussions with the Chief Financial Officer and other members of finance department of the Company, review of the Statutory Auditors' examination report and certificates and other related documents. The Statutory Auditor has provided the restated financial information which was prepared in accordance with the Ind AS notified under Section 133 of the Companies Act, 2013 and read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and other regulations of the Company as of and for the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022. For details, please see "*Financial Information*" on page 204 of the RHP. We held discussions with the Statutory Auditor on the form and manner of the reports and certifications required for such financial information.

Further, the Statutory Auditors were required to review the financial information relating to the Company in the Offer Document and have delivered a customary comfort letter and circle-ups to the BRLM confirming the accuracy of the financial information contained in the Offer Document. Such comfort letter will be issued and/or brought down at certain future dates as the Issue progresses, by the Statutory Auditor, including on the filing of the RHP, the Prospectus and the Allotment of Equity Shares in the Issue. We have also obtained certifications from the Statutory Auditors in respect of certain financial matters pertaining to the Issue including a certificate to evaluate the eligibility of the Company and to undertake the Issue under Regulation 229 (2) of the SEBI ICDR Regulations. The Statutory Auditor has also provided the statement of possible special tax benefits which is included in the Offer Document.

In relation to the information disclosed in summarized form in the section "*Financial Indebtedness*" of the Offer Document, the relevant sanction letters and agreements issued by the lenders as well as other financing related documents were made available for the Company, as applicable, and together with the Legal Counsel, the same were reviewed. The Company has also received written consents from its lenders, to the extent required, granting the Company their no-objection to undertake the Issue and related corporate actions including *inter alia* issue and allotment of the Equity Shares and change in the capital structure of the Company. The details of the outstanding borrowings availed by the Company including certain key terms of such borrowings are disclosed in the section Financial Indebtedness of the Offer Document. We have also relied on a certification from the Statutory Auditors in connection with the financial

indebtedness of the Company, ascertaining the amount of outstanding borrowings of the Company as of February 29, 2024, which is disclosed in the section titled “Financial Indebtedness” of the Offer Document.

5. Promoters, Promoter Group, Directors, Key Management Personnel, and the Group Companies

For the purposes of making certain disclosures with respect to the Promoters, Promoter Group, Directors, Key Management Personnel, and Group Companies in the Offer Document, supporting documents and certifications from the relevant entities / persons have been obtained.

For the purposes of disclosure of the educational qualifications and professional experience of Directors, Key Managerial Personnel of the Company, reliance was placed on degree certificates, experience certificates, and other back-up documents.

Disclosures, pertaining to the Group Companies are disclosed in the section Group Companies of the Offer Document, in terms of the SEBI ICDR Regulations and in terms of the policy of materiality defined by the Board of Directors pursuant to its resolution dated March 16, 2024. Group Companies disclosed include those companies having related party transactions in accordance with Accounting Standard (“AS 18”) issued by the Institute of Chartered Accountants of India, in the Restated Financial Statements of the Company for the last three financial years.

Furthermore, the Company and the Directors have provided confirmations stating that they have not been debarred or prohibited from accessing the capital markets or from buying, selling or dealing in securities under any order or direction passed by the SEBI or any securities market regulator in any other jurisdiction or any other authority / court. In addition, confirmations have been received from the Company and Directors stating that they have not been categorized as wilful defaulters as per the definition in SEBI ICDR Regulations. Confirmations have also been received from the Company and the Directors that none of the Directors are ‘fugitive economic offenders’ or ‘fraudulent borrower’ as per the definition in SEBI ICDR Regulations. Furthermore, confirmations have been received from the Company, Promoters and Promoter Group in respect of their compliance with the Companies (Significant Beneficial Ownership) Rules, 2018, as on date of the Offer Document, to the extent applicable.

6. Statutory and/or Regulatory and other Diligence

In connection with diligence of statutory and regulatory matters, the relevant statutory and regulatory records of the Company, including, among other things, relevant corporate records, material licenses, approvals, registrations applied for and/or received by the Company and filings made by the Company with various key statutory and regulatory authorities, were reviewed including by the Legal Counsel. We have also relied on representations and certifications provided by the Company in connection with such statutory and/or regulatory matters.

We, along with the Legal Counsel, have relied on the list of material licenses, approvals and registrations of Company and such material licenses, approvals and registrations, copies of which were provided by the Company, were reviewed. We, along with the Legal Counsel, have also regularly interacted with the officials of the Company to understand the material approvals that are required to be obtained by the Company to carry out its business.

ANNEXURE III-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.

(ICDR Checklist annexed separately to be inserted)

Annexure III-C

Statement of price information of past issues handled by the BRLM

Price information of past issues handled by Choice Capital Advisors Private Limited during the current Financial Year and two financial years preceding the current Financial Year

Sr. No.	Issue Name	Issue Size (₹ million)	Issue price (₹)	Listing Date	Opening Price on listing date	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1	Vishnu Prakash R Punglia Limited	308.88	99.00	September 5, 2023	165.00	66.57% (-0.71%)	106.87%(3.54%)	79.29%(14.32%)
2	Ramdevbaba Solvent Limited	50.27	85.00	April 23, 2024	112.00	14.53% (1.03%)	NA	NA

Summary statement of price information of past issues handled by Choice Capital Advisors Private Limited

Financial Year	Total no. of IPOs	Total funds raised (Millions)	Nos. of IPOs trading at discount on as on 30th calendar days from	Nos. of IPOs trading at premium on as on 30th calendar days from listing date	Nos. of IPOs trading at discount as on 180th calendar days from listing date	Nos. of IPOs trading at premium as on 180th calendar days from listing date
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Choice Capital Advisors Private Limited
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T +91 22 67079999 E regulator_advisors@choiceindia.com
CIN No. U65990MH2010PTC198262
SEBI Regn No. INM000011872
www.choiceindia.com

Letterheads, Keeping words official.

			listing date											
			Over 50%	Between 25% - 50%	Less than 25%	Over 50%	Between 25% - 50%	Less than 25%	Over 50%	Between 25% - 50%	Less than 25%	Over 50%	Between 25% - 50%	Less than 25%
2023-24	1	308.88	-	-	-	1	-	-	-	-	-	1	-	-
2024-25	1	50.27	-	-	-	-	-	1	-	-	-	NA	NA	NA

Break -up of past issues handled by Choice Capital Advisors Private Limited:

Financial Year	No. of SME IPOs	No. of Main Board IPOs
2022-23	-	-
2023-24	0	1
2024-25	1	-

Notes:

1. Source: All share price data is from www.nseindia.com.
2. NSE Nifty is considered as the Benchmark Index.
3. In case 30th/ 90th/ 180th is not a trading day, closing price on NSE of the previous trading day for the respective Script has been considered, however, if script is not traded on that previous trading day then last trading price has been consider