

UNISTONE

August 31, 2023

To,

Securities and Exchange Board of India,  
Corporation Finance Department,  
Division of Issues & Listing,  
Plot No C4-A, 'G' Block,  
Bandra-Kurla Complex, Bandra (East),  
Mumbai – 400051, Maharashtra  
Dear Sir/Madam,



**Sub: Proposed initial public offering of equity shares of ₹ 10 each (Equity Shares) by Arkade Developers Limited comprising a fresh issue of Equity Shares aggregating up to ₹ 4,300.00 million.**

1. Arkade Developers Limited (**Company**) is proposing to undertake an initial public offering of equity shares of ₹ 10 each (**Equity Shares**) comprising a fresh issue of Equity Shares aggregating up to ₹ 4,300.00 million (**Issue**) through the 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 (**SEBI ICDR Regulations**), at such price as may be determined by the Company, in consultation with the Book Running Lead Manager (*as defined below*), and in accordance with the SEBI ICDR Regulations, Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended (**SCRR**) and other applicable laws.
2. The Company has appointed Unistone Capital Private Limited as the Book Running Lead Manager (collectively, the **Book Running Lead Manager** or **BRLM**) to manage the Issue.
3. We are filing the draft red herring prospectus dated August 31, 2023 (**Draft Red Herring Prospectus** or **DRHP**) in relation to the Issue for your consideration and observations. The Issue is being undertaken through a fresh issue of Equity Shares by the Company aggregating up to ₹ 4,300.00 million by the Company.
4. The Company, in consultation with BRLM, may consider an issue of specified securities on private placement basis aggregating up to ₹ 200.00 million, (**Pre-IPO Placement**) prior to the filing of the Red Herring Prospectus with the Registrar of Companies, Mumbai at Maharashtra (**RoC**). The Pre-IPO Placement shall be undertaken at the discretion of the Company, and the price of the specified securities allotted pursuant to the Pre-IPO Placement shall be determined by the Company in consultation with the BRLM. If the Pre-IPO Placement is completed, the Issue size will be reduced to the extent of such Pre-IPO Placement, subject to the Issue complying with the minimum issue size requirements prescribed under Rule 19(2)(b) of the SCRR. The Pre-IPO Placement shall not exceed 20% of the size of the Issue.
5. The Company may decide to change the terms of the Issue to include a reservation of Equity shares for eligible employees in terms of Regulation 33 of SEBI ICDR Regulations. The disclosures in the DRHP will be suitably updated to reflect any such change at the time of filing the Red Herring Prospectus with the RoC.



**UNISTONE CAPITAL PRIVATE LIMITED**

CIN - U65999MH2019PTC330850



**Registered Office :** A/305, Dynasty Business Park,  
Andheri Kurla Road, Andheri East, Mumbai - 400059.



**Admin Office:** 14th & 15th Floor, Dhukka Chambers,  
Poddar Road, Malad (E), Mumbai - 400097.



022-4604 6494



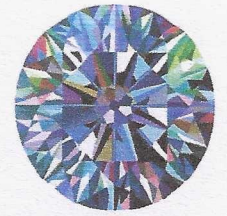
+91 98200 57533



mb@unistonecapital.com



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*All capitalised terms used herein and not specifically defined shall have the same meaning as ascribed to such terms in the Draft Red Herring Prospectus, and if not ascribed under the Draft Red Herring Prospectus, then they shall bear the meaning commonly ascribed to them under the applicable law.*

In connection with the filing of the Draft Red Herring Prospectus with the Securities and Exchange Board of India (SEBI), we hereby submit the following:

- a. A soft copy of the Draft Red Herring Prospectus in ".PDF" format, approved by the board of directors of the Company in its meeting dated August 31, 2023 and duly signed by all the directors of the Company (**Directors**) and the Chief Financial Officer of the Company; accompanied by this letter and all annexures hereto, submitted by uploading the documents on the SEBI intermediary portal at <https://siportal.sebi.gov.in>, as specified in Regulation 25(8) of the SEBI ICDR Regulations and as required pursuant to the SEBI master circular (bearing number SEBI/HO/CFD/PoD-2/P/CIR/2023/00094) dated June 21, 2023.
  - b. A certificate from the BRLM confirming that the Company and the BRLM have entered into an Issue Agreement dated August 31, 2023, in accordance with Regulation 23(5) and the format specified in Schedule II of the SEBI ICDR Regulations, and Regulation 25(2)(a) of the SEBI ICDR Regulations (**Annexure A** to this letter);
  - c. A due diligence certificate dated August 31, 2023, signed by the BRLM set out as **Annexure B** to this letter as required in Form A of Schedule V of the SEBI ICDR Regulations along with (i) a note on the due diligence process undertaken, as **Annexure B1** to this letter; and (ii) a detailed checklist confirming regulation-wise compliance with the applicable provisions of the SEBI ICDR Regulations, as **Annexure B2** to this letter.
  - d. In connection with the Issue, the Company shall make the payment towards the DRHP filing fee for a sum of ₹ 4,300,000 (Rupees Forty-three Lakhs only) along with GST of ₹ 774,000 via SIP Portal as per Schedule III of the SEBI ICDR Regulations based on an estimated issue size of up to ₹ 4,300.00 million. As the Issue Price will be determined through the Book Building Process, we are unable to ascertain the actual size of the Issue at this stage. Accordingly, such fee paid is based on an estimated Issue size of up to ₹ 4,300.00 million, and the same should not be construed as the final Issue size for the purposes of Schedule XVI of the SEBI ICDR Regulations.
6. In connection with the Issue, please note that:
- a. **Pre-IPO Placement**  
Subject to receipt of requisite corporate approvals, the Company, in consultation with the BRLM, make a further issue of specified securities aggregating up to ₹ 200.00 million, as may be permitted under applicable law to any person(s), at its discretion, prior to filing of the Red Herring Prospectus with the RoC. The Issue size will accordingly be reduced to the extent of such Pre-IPO Placement, subject to the Issue





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complying with rule 19(2)(b) of the SCRR. Further, the Company will intimate the Stock Exchanges with the details of Pre-IPO Placement and transaction of shares aggregating up to 1% or more of the paid-up Equity Share capital of company by Promoter(s) and Promoter group(s) within 24 hours of such Pre-IPO Placement/transaction(s), requesting the Stock Exchanges to put the disclosure in the public domain. Further, the Company shall, within 48 hours of such transaction, make a public announcement in one English national daily newspaper, one Hindi national daily newspaper and a Marathi daily newspaper, Marathi being the regional language of Mumbai, where the Registered Office of the Company is situated. The Company will, prior to filing with the RoC, update the RHP for details of the Pre-IPO Placement, if, and to the extent, undertaken.

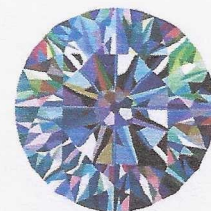
b. *Unified Payment Interface (UPI)*

The Issue is currently proposed to be undertaken pursuant to the processes and procedures under phase II of UPI payment mechanism as prescribed under SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, SEBI Circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 and SEBI Master Circular no. SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated May 17, 2023 (to the extent applicable) 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 the 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 including SEBI Circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, if the Issue is undertaken through the said circular.

If 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, the Company will suitably update the Red Herring Prospectus and the Prospectus.

We have also taken note of the decisions taken by SEBI in its Board meeting held on June 28, 2023 in relation to reduction of time period from the date of issue closure to the date of listing of shares through public issues from the existing six working days to three working days. Further, pursuant to SEBI circular SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, the final reduced timeline of T+3 days using the UPI Mechanism for applications by UPI Bidders, has been notified and made effective on a voluntary basis for public issues opening on or after September 1, 2023, and on a mandatory basis for public issues opening on or after December 1, 2023. As stated in the DRHP, the Offer will be undertaken pursuant to the processes and procedures under UPI Phase II of the UPI Circular, subject to the timing of the Offer and any circulars, clarification or notification issued by the SEBI from time to time, including SEBI circular SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023. Accordingly, in accordance with the timelines mentioned above and any circulars, clarification or notification issued by the SEBI from time to time, the Company will suitably update the Red Herring Prospectus and the Prospectus.





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c. *Financial Information of Group Company*

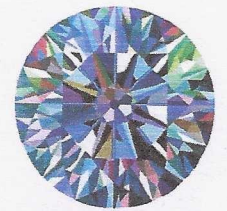
As per the provisions of the SEBI ICDR Regulations, the Company is required to provide link of the respective websites of the Group Company of the Company where financial information of such Group Company have been disclosed. However, the Company has no group companies within the meaning of the SEBI ICDR Regulations.

d. *Confirmations and information in relation to the Company, its Promoters, Promoter Group, Subsidiary and Group Company*

i. The confirmations and information in relation to the Company, its Promoter, Promoter Group, Subsidiaries and Group Company 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/IRDAI etc., in any capacity. If yes, provide details	No, the Company is not registered with SEBI or any other financial regulatory body like RBI/IRDA etc., in any capacity.
2.	List of Promoters/ Promoter Group companies/ Subsidiaries/ Group Companies registered with SEBI in any capacity along with registration details.	None of the Promoter, members of the Promoter Group, Subsidiaries are registered with SEBI in any capacity.  The Company has no group companies within the meaning of the SEBI ICDR Regulations.
3.	List of Promoters/ Promoter Group companies/ Subsidiaries/ Group Companies registered with any other financial regulatory body like RBI/IRDA etc., in any capacity along with registration details.	None of the Promoter / members of the Promoter Group / Subsidiaries are registered with any other financial regulatory body like RBI/IRDA etc. in any capacity.  The Company has no group companies within the meaning of the SEBI ICDR Regulations.
4.	If any debt securities of Company/ Subsidiaries/ Group Companies are listed. If yes, the following may be provided:	Neither the Company nor its Subsidiaries has listed debt securities on any stock exchanges.





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Sr. No.	Particulars	Response
	a. Details of the debt securities listed along with the name of the exchange on which the same are listed.	The Company has no group companies within the meaning of the SEBI ICDR Regulations.
	b. Whether disclosure pertaining to the same made in DRHP and relevant page no. and section in which disclosure made.	

**e. Recent amendments to the SEBI ICDR Regulations**

In accordance with the SEBI (Issue of Capital and Disclosure Requirements) (Second Amendment) Regulations, 2023 dated May 23, 2023, to the SEBI ICDR Regulations:

- i. Copy of the Draft Red Herring Prospectus shall be uploaded on the website of the Company for a period of at least 21 days from the date of its filing;
- ii. Company will comply with the provisions of the amended Regulation 40, read with Schedule XIII of SEBI ICDR Regulations, to the extent applicable; and
- iii. A copy of the Anarock Report (as defined below) is disclosed as a material document in the section '*Material Contracts and Documents for Inspection*' of the DRHP. In line with the amendments to the SEBI ICDR Regulations dated January 11, 2023 and notified on January 13, 2023, vide the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Amendment) Regulations, 2023, the DRHP has been suitably updated to reflect the disclosures in relation to the details of the Senior Management of the Company. In line with the amendments to the SEBI ICDR Regulations notified on November 23, 2022, vide the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2022 and other applicable circulars and guidance, suitable disclosures have been made in relation to key performance indicators of the Company and weighted average cost of acquisition.

**f. Para wise compliance with the (i) Securities and Exchange Board of India (Framework for Rejection of Draft Offer Documents) Order, 2012, (ii) Securities and Exchange Board of India (Issuing Observations on Draft Offer Documents Pending Regulatory Actions) Order, 2020**

The Company does not trigger any criteria which may result in rejection of the DRHP or which may result in keeping observations on the DRHP in abeyance or prohibit raising further capital from the public, as set out in the Securities and Exchange Board of India (Framework for Rejection of Draft Offer Documents) Order, 2012 (SEBI

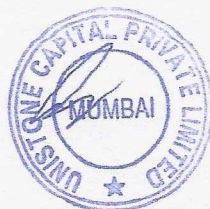




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**Rejection Order**); Securities and Exchange Board of India (Issuing Observations on Draft Offer Documents Pending Regulatory Actions) Order, 2020 (**SEBI Observations Order**). The same has been certified by M/s Mittal and Associates, Chartered Accountants, statutory auditors of the Company, by way of their certificate dated August 31, 2023. In accordance with terms of the SEBI's directive dated November 3, 2022 to the AIBI, please refer to **Annexure C** of this letter for para-wise confirmations on the non-applicability of or compliance with, as applicable, each criterion specified under the SEBI Rejection Order, the SEBI Observations Order, respectively. **Annexure C** also includes para-wise confirmations on the non-applicability of, or compliance with, the SEBI Prohibition on Raising Further Capital Order.

- g. As per SEBI's directive dated June 29, 2021 to the Association of Investment Bankers of India, and based on the confirmations received, we submit that there are no securities market violations, whether outstanding or otherwise, by the Company, Promoter, Promoter Group, and Subsidiaries. The Company has no group companies within the meaning of the SEBI ICDR Regulations.
- h. Further to the SEBI's directive to the Association of Investment Bankers of India dated June 14, 2021, based on confirmations received, we confirm that neither the Company, nor its Promoter, nor any of its Directors have been declared as 'Fraudulent Borrowers' or 'Wilful Defaulters' by the lending banks or financial institutions or any consortium or 'Fugitive Economic Offenders' (as applicable) as defined in the SEBI ICDR Regulations.
- i. Based on SEBI's directive to the Association of Investment Bankers of India dated October 22, 2021, the Company will provide access to material contracts and material documents listed in the section "*Material Contracts and Documents for Inspection*" of the Red Herring Prospectus to be filed with the RoC, through online means from the date of the Red Herring Prospectus until the Bid/Issue Closing Date (except for such agreements executed after the Bid/Issue Closing Date), in compliance with the requirements of the SEBI ICDR Regulations. This will be in addition to hosting these material contracts and documents at the Company's Registered Office.
- j. Based on SEBI's directive to the Association of Investment Bankers of India dated November 13, 2021, the price at which the Equity Shares were acquired in the last 3 years by the Promoter and the members of Promoter Group have been disclosed in the DRHP in the section titled '*Summary of the Issue Document*'. This information has been certified by the Statutory Auditors of the Company pursuant to a certificate dated August 31, 2023. The section titled '*Summary of the Issue Document*' also discloses that there are no shareholders who are entitled to nominate Directors or have any other special rights.
- k. Based on SEBI's directive to the Association of Investment Bankers of India dated November 15, 2021, and SEBI Master Circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023 details of weighted average cost of acquisition of all equity shares transacted over the last 3 years, 18 months and 1 year





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from the date of the DRHP are required to be disclosed in the price band advertisement and the abridged prospectus. This information has been certified by the Statutory Auditors of the Company pursuant to a certificate dated August 31, 2023. This information is also disclosed in the Issue Documents in the 'Summary of Issue Document' chapter. The disclosures in the DRHP will accordingly be suitably updated to reflect any such change at the time of filing of the Red Herring Prospectus with the ROC, and in the price band advertisement and abridged prospectus for the Issue.

The disclosures in the DRHP shall be suitably updated to reflect the latest restated financial statements of the Company and any other developments, as may be necessary at the time of filing of the Red Herring Prospectus with the RoC.

The Company will obtain authentication on the SCORES and will comply with the SEBI Master Circular no. SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated May 17, 2023 (to the extent applicable) and any amendment thereto, in relation to redressal of investor grievances through SCORES, prior to filing the Red Herring Prospectus.

The Company has undertaken to apply to BSE Limited (BSE) and National Stock Exchange of India Limited (NSE, together with BSE, the **Stock Exchanges**) for obtaining their respective in-principle listing approvals for listing 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 Red Herring Prospectus with the RoC.

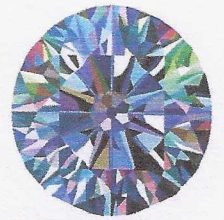
We request you to kindly provide your observations on the DRHP. Should you require any further information from us, we would be pleased to furnish the same.

Please feel free to contact the undersigned person from Unistone Capital Private Limited if you require any information or clarification:

Contact Person	Telephone	Email
Brijesh Parekh	Mobile: + 91 - 9820057533	mb@unistonecapital.com

Thanking you.





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*This page forms an integral part of the cover letter submitted by the BRLM in relation to the initial public offering by Arkade Developer Limited.*

Yours sincerely,

**For Unistone Capital Private Limited**

**Authorized Signatory**

**Name: Brijesh Parekh**

**Designation: Director**



**Enclosed as above**