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# SAWALIYA FOOD PRODUCTS LIMITED

Sawaliya Food Products Limited (our “Company” or the “Issuer”) was incorporated on July 1, 2014 as ‘Sawaliya Food Products Private Limited’, a private limited company under the Companies Act, 2013, pursuant to a certificate of incorporation dated July 1, 2014 issued by the Registrar of Companies, Madhya Pradesh at Gwalior. Further, our Company was converted into a public limited company pursuant to a resolution passed by our Board of Directors in its meeting held on May 16, 2024 and by the Shareholders in an Extraordinary General Meeting held on May 27, 2024 and consequently the name of our Company was changed to ‘Sawaliya Food Products Limited’ and a fresh certificate of incorporation dated July 15, 2024 was issued by the Registrar of Companies, Central Processing Centre. The corporate identification number of our Company is U15400MP2014PLC032843. For details in relation to the change in Registered Office of our Company, please refer to the chapter titled, “History and Certain Corporate Matters” on page 160.

**Registered Office:** Survey No. 9/2/1/2 Gavla, Tehsil Pithampur, Dhar - 454 775, Madhya Pradesh, India; **Telephone:** +91 877 032 6514; **E-mail:** info@sawaliyafood.com; **Facsimile:** N.A.; **Website:** www.sawaliyafood.com; **Contact Person:** Namita Singh Rathour, Company Secretary & Compliance Officer; **Corporate Identity Number:** U15400MP2014PLC032843

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |  |                                                                                                                                                                                                                                                                                                                                                                                     |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Website: www.sawaliyafood.com, Contact Person: Namita Singh Rathour, Company Secretary & Compliance Officer, Corporate Identity Number: G1340MFM2014FEC032043                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |  |                                                                                                                                                                                                                                                                                                                                                                                     |
| PROMOTERS OF OUR COMPANY: RAGHAV SOMANI AND PRIYA SOMANI                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |  |                                                                                                                                                                                                                                                                                                                                                                                     |
| ADDENDUM TO THE DRAFT RED HERRING PROSPECTUS DATED OCTOBER 15, 2024: NOTICE TO THE INVESTORS (“THE ADDENDUM”)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |  |                                                                                                                                                                                                                                                                                                                                                                                     |
| INITIAL PUBLIC OFFER OF 29,03,000 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH (“EQUITY SHARES”) OF THE COMPANY AT AN OFFER PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE) FOR CASH, AGGREGATING UP TO ₹ [●] LAKHS (“PUBLIC OFFER”) COMPRISING A FRESH ISSUE OF 26,03,000 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH AGGREGATING TO ₹ [●] LAKHS (THE “FRESH ISSUE”) AND AN OFFER FOR SALE OF UPTO 3,00,000 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH COMPRISING OF 1,50,000 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH BY RAGHAV SOMANI AND UPTO 1,50,000 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH BY PRIYA SOMANI (“THE SELLING SHAREHOLDER OR “PROMOTER SELLING SHAREHOLDERS”) (“OFFER FOR SALE”) AGGREGATING TO ₹ [●] LAKHS, OUT OF WHICH [●] EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH OF FACE VALUE OF ₹ 10/- EACH, AT AN OFFER PRICE OF ₹ [●] PER EQUITY SHARE FOR CASH, AGGREGATING ₹ [●] LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY THE MARKET MAKER TO THE OFFER (THE “MARKET MAKER RESERVATION PORTION”). THE PUBLIC OFFER LESS MARKET MAKER RESERVATION PORTION I.E. OFFER OF [●] EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH OF FACE VALUE OF ₹ 10/- EACH, AT AN OFFER PRICE OF ₹ [●] PER EQUITY SHARE FOR CASH, AGGREGATING UP TO ₹ [●] LAKHS IS HEREINAFTER REFERRED TO AS THE “NET OFFER”. THE PUBLIC OFFER AND NET OFFER WILL CONSTITUTE [●]% AND [●]% RESPECTIVELY OF THE POST- OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY. |  |                                                                                                                                                                                                                                                                                                                                                                                     |
| THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BRLM AND WILL BE ADVERTISED IN ALL EDITIONS OF [●] (A WIDELY CIRCULATED ENGLISH NATIONAL DAILY NEWSPAPER), ALL EDITIONS OF [●] (A WIDELY CIRCULATED HINDI NATIONAL DAILY NEWSPAPER AND [●] EDITIONS OF THE HINDI DAILY NEWSPAPER, [●] (HINDI BEING THE REGIONAL LANGUAGE OF MADHYA PRADESH WHERE OUR REGISTERED OFFICE IS LOCATED), AT LEAST TWO WORKING DAYS PRIOR TO THE BID/OFFER OPENING DATE AND SHALL BE MADE AVAILABLE TO THE EMERGE PLATFORM OF NATIONAL STOCK EXCHANGE OF INDIA LIMITED (“NSE”) FOR THE PURPOSES OF UPLOADING ON ITS WEBSITE IN ACCORDANCE WITH SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE “SEBI ICDR REGULATIONS”).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |  |                                                                                                                                                                                                                                                                                                                                                                                     |
| Potential Bidders may note the following: “RISK FACTORS”, “OBJECTS OF THE OFFER”, “BASIS FOR OFFER PRICE”, “OUR BUSINESS”, “OUR MANAGEMENT”, “FINANCIAL INDEBTEDNESS”, “MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATIONS” and “GOVERNMENT AND OTHER STATUTORY APPROVALS” have been updated in accordancewith the suggestions made by NSE.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |  |                                                                                                                                                                                                                                                                                                                                                                                     |
| The above is to be read in conjunction with the Draft Red Herring Prospectus and accordingly their references in the Draft Red Herring Prospectus stand amended pursuant to this Addendum. Please note that the changes pursuant to this Addendum will be appropriately included in the Red Herring Prospectus and Prospectus, as and when filed with the RoC, the SEBI and the Stock Exchange. All capitalized terms used in this Addendum shall, unless the context otherwise requires, have the meaning ascribed to them in the Draft Red Herring Prospectus.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |  |                                                                                                                                                                                                                                                                                                                                                                                     |
| Place: Madhya Pradesh, India                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |  |                                                                                                                                                                                                                                                                                                                                                                                     |
| Date: April 23, 2025                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |  |                                                                                                                                                                                                                                                                                                                                                                                     |
| On behalf of Sawaliya Food Products Limited                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |  |                                                                                                                                                                                                                                                                                                                                                                                     |
| Sd/<br>Raghav Somani<br>Managing Director                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |  |                                                                                                                                                                                                                                                                                                                                                                                     |
| BOOK RUNNING LEAD MANAGER TO THE OFFER                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |  | REGISTRAR TO THE OFFER                                                                                                                                                                                                                                                                                                                                                              |
| <br>UNISTONE                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |  | <br>Skyline<br>Financial Services Pvt. Ltd.                                                                                                                                                                                                                                                    |
| UNISTONE CAPITAL PRIVATE LIMITED<br>A/ 305, Dynasty Business Park, Andheri-Kurla Road,<br>Andheri East, Mumbai – 400 059, Maharashtra, India.<br>Telephone: +91 224 604 6494<br>Facsimile: N.A.<br>Email: mb@unistonecapital.com<br>Investor grievance email: compliance@unistonecapital.com<br>Website: www.unistonecapital.com<br>Contact Person: Brijesh Parekh<br>SEBI registration number: INM000012449<br>CIN: U65999MH2019PTC330850                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |  | SKYLINE FINANCIAL SERVICES PRIVATE LIMITED<br>D-153 A, 1st Floor, Okhla Industrial Area,<br>Phase-I, New Delhi – 110 020, Delhi, India.<br>Telephone: +91 011 2681 2683<br>Facsimile: N.A.<br>E-mail/ Investor grievance email: ipo@skylinerta.com<br>Website: www.skylinerta.com<br>Contact Person: Anuj Rana<br>SEBI Registration No.: INR000003241<br>CIN: U74899DL1995PTC071324 |
| BID/OFFER PROGRAMME                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |  |                                                                                                                                                                                                                                                                                                                                                                                     |
| ANCHOR PORTION OFFER OPENS/CLOSES ON: [●]                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |  |                                                                                                                                                                                                                                                                                                                                                                                     |
| BID/OFFER OPENS ON: [●]                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |  |                                                                                                                                                                                                                                                                                                                                                                                     |
| BID/OFFER CLOSES ON^: [●]                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |  |                                                                                                                                                                                                                                                                                                                                                                                     |

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

\*\*Our Company may in consultation with the BRLM, consider closing the Bid/ Offer Period for QIBs one Working Day prior to the Bid/ Offer Closing Date in accordance with the SEBI ICDR Regulations

^ UPI mandate end time and date shall be at 5:00 pm on the Bid/ Offer Closing Date.

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### **SECTION III – RISK FACTORS**

- 11. There have been instances of delays in payment of statutory dues, i.e. TDS by the Company. In case of any delay in payment of statutory due in future by our Company, the Regulatory Authorities may impose monetary penalties on us or take certain punitive actions against our Company in relation to the same which may have adverse impact on our business, financial condition and results of operations.**

In the past, there have been certain instances of delays in payment of statutory dues, i.e. TDS, by the Company. The details of the delay caused in payment of statutory dues have been provided below:

From April 01, 2024, to June 30, 2024

| Month  | Due Date of filing | Date of Filing Return | Delay Period |
|--------|--------------------|-----------------------|--------------|
| Apr-24 | 07-05-2024         | 29-07-2024            | 83           |
| May-24 | 07-06-2024         | 29-07-2024            | 52           |
| Jun-24 | 07-07-2024         | 29-07-2024            | 22           |

For FY 23-24

| Month  | Due Date of filing | Date of Filing Return | Delay Period |
|--------|--------------------|-----------------------|--------------|
| Aug-23 | 07-09-2023         | 29-10-2023            | 52           |
| Sep-23 | 07-10-2023         | 29-10-2023            | 22           |
| Oct-23 | 07-11-2023         | 26-01-2024            | 80           |
| Nov-23 | 07-12-2023         | 26-01-2024            | 50           |
| Dec-23 | 07-01-2024         | 26-01-2024            | 19           |
| Jan-24 | 07-02-2024         | 21-03-2024            | 43           |
| Feb-24 | 07-03-2024         | 22-05-2024            | 76           |
| Mar-24 | 30-04-2024         | 22-05-2024            | 22           |

For FY 22-23

| Month  | Due Date of filing | Date of Filing Return | Delay Period |
|--------|--------------------|-----------------------|--------------|
| Nov-22 | 07-12-2022         | 09-12-2022            | 2            |
| Dec-22 | 07-01-2023         | 14-01-2023            | 7            |
| Jan-23 | 07-02-2023         | 08-02-2023            | 1            |
| Feb-23 | 07-03-2023         | 09-03-2023            | 2            |
| Mar-23 | 30-04-2023         | 31-05-2023            | 31           |
| Apr-23 | 07-05-2023         | 03-08-2023            | 88           |
| May-23 | 07-06-2023         | 03-08-2023            | 57           |
| Jun-23 | 07-07-2023         | 03-08-2023            | 27           |

The delays in TDS payment has occurred due to delay in reconciliation of accounts with customers, delay in bill settlement. Also, sometimes these delays were also due to administrative and technical issues on the portal during these periods.

Our Company has already made provisions in the financials of the Company for such delay payments. Our Company has implemented structural modifications by appointing a Chief Financial Officer, Pankaj Neema, to improve its financial and operational management. Further, our Company has also appointed Sunil Mishra, as its Operations Head to specifically address and prevent any delays in the statutory payments, thereby ensuring compliance with financial obligations. Additionally, we have enhanced accounting processes by implementing daily updates of financial transactions to ensure availability of an accurate and up-to-date financial data, facilitating timely processing of statutory payments and reducing risk of delay in payments. It cannot be assured, that there will not be such instances in the future or our Company will not commit any further delays or defaults in relation to payment of statutory dues. The happening of such event may cause imposition of fine / penalty which may have adverse effect on the results of our operations and financial position.

- 12. Our Company proposes to utilize part of the Net Proceeds for repayment or pre-payment, in full or in part, of all or certain secured borrowings availed by our Company and accordingly, the utilization of that portion of the Net Proceeds will not result in creation of any tangible assets.**

Our Company intends to utilise a part of the Net Proceeds for repayment or pre-payment, in full or in part, of all or certain secured borrowings availed by our Company. The details of the loans identified to be repaid or prepaid using the Net Proceeds have been disclosed in the section titled “*Objects of the Offer*” on page 92 of this Draft Red Herring Prospectus. While we believe that utilization of Net Proceeds for repayment of secured loans would help us to reduce our cost of debt and enable the utilization of our funds for further investment in business growth and expansion, the pre-payment of loans will not result in the creation of any tangible assets for our Company.

**13. There have been instances of delays in filings of certain forms which were required to be filed as per the reporting requirements under the Companies Act, 2013 to ROC.**

In the past, there have been certain instances of delays in filing statutory forms which have been subsequently filed by payment of an additional fee as specified by ROC. The details of such forms have been provided below:

| S. No. | Name of the Form/Return | Date of Event | Due Date of filing | Actual Date of Filing                                                          |
|--------|-------------------------|---------------|--------------------|--------------------------------------------------------------------------------|
| 1      | CHG-1                   | 15.12.2020    | 14.01.2021         | 02.02.2021                                                                     |
| 2      | CHG-1                   | 17.12.2020    | 16.01.2021         | 02.02.2021                                                                     |
| 3      | CHG-1                   | 30.11.2021    | 30.12.2021         | 11.01.2022                                                                     |
| 4      | CHG-1                   | 23.02.2022    | 25.03.2022         | 02.04.2022                                                                     |
| 5      | CHG-1                   | 05.09.2022    | 05.10.2022         | 03.11.2022                                                                     |
| 6      | CHG-1                   | 29.12.2020    | 28.01.2021         | 02.02.2021                                                                     |
| 7      | CHG-1                   | 27.09.2021    | 27.10.2021         | 20.11.2021                                                                     |
| 8      | CHG-1                   | 23.02.2022    | 25.03.2022         | 08.04.2022                                                                     |
| 9      | CHG-1                   | 12.11.2022    | 12.12.2022         | 13.12.2022                                                                     |
| 10     | AOC-4                   | 30.09.2023    | 29.10.2023         | 30.10.2023                                                                     |
| 11     | DPT-3                   | 31.03.2020    | 30.06.2020         | 28.09.2024                                                                     |
| 12     | DPT-3                   | 31.03.2023    | 30.06.2023         | 01.08.2023                                                                     |
| 13     | MR-1                    | 22.07.2024    | 20.09.2024         | 28.09.2024                                                                     |
| 14     | MR-1                    | 22.07.2024    | 20.09.2024         | 28.09.2024                                                                     |
| 15     | MGT-14 (Revised)        | 22.07.2024    | 21.08.2024         | 29.09.2024                                                                     |
| 16     | DPT-3 (Revised)         | 31.03.2021    | 30.06.2021         | 23.09.2024                                                                     |
| 17     | ADT-1 (Revised)         | 30.09.2022    | 15.10.2022         | 23.09.2024                                                                     |
| 18     | INC-27                  | 27.05.2024    | 11.06.2024         | 27.06.2024 (Due to delayed processing and approval of connected MGT 14 by RoC) |

No show cause notice in respect to the above has been received by our Company till date and no penalty or fine has been imposed by any regulatory authority in respect to the same. Our Company has appointed a full time Company Secretary and Compliance officer, Namita Singh Rathour, to ensure compliance with Companies Act, 2013 and monitor statutory filings required to be made under the said Act to avoid delay in filing of statutory forms. It cannot be assured, that there will not be such instances in the future or our Company will not commit any further delays in relation to its reporting requirements, or any penalty or fine will not be imposed by any regulatory authority in respect to the same. The happening of such event may cause a material effect on our results of operations and financial position.

**14. There have been some instances of incorrect filings with the Registrar of Companies and other non-compliances under the Companies Act, 2013 in the past which may attract penalties.**

There have been certain discrepancies and incorrect filings in relation to statutory filings required to be made by us with the RoC under applicable laws, as well as certain other non-compliances incurred by us under the Companies Act, 2013 and Companies Act 1956 which have been intimated to the RoC by way of filing Form GNL-2 bearing SRN AB1490959 on October 11, 2024. The details of such discrepancies are provided below:

| Sr. No. | Particulars                                                                                                                                                                                                                                                                               | Clarification                                                                                                                                                                                                                                                                                                                                                     |
|---------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1       | Form SH-7 filed on 22.05.2024 and Form MGT 14 filed on 20.05.2024 for the EGM held on 23.04.2024 wherein eMoA attached to the Form included modified subscribers sheet containing latest shareholdings of the Subscribers to the MoA instead of the Original (incorporation) subscribers. | Subsequent to the said form, another Form SH-7 of the company was filed on 24.08.2024, for further increase in authorised capital, in which the appropriate original (incorporation) subscribers list was attached.<br><br>We would like to inform that as on date, the current MoA of the company is updated with the original (incorporation) subscribers only. |

| Sr. No. | Particulars                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Clarification                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|---------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2       | Form PAS-3 filed on 25.05.2024 for allotment of 51,96,576 bonus equity shares of Rs. 10 each on 23.05.2024 wherein extract of minutes of shareholders' meeting was attached instead of board resolution of allotment.                                                                                                                                                                                                                                                                                                                                                                                                                     | Inadvertently, the Company missed attaching the board resolution for allotment of bonus shares in the Form PAS-3 dated 23.05.2024. The same has been submitted with the RoC in Form GNL-2.                                                                                                                                                                                                                                                                                                                                                                                |
| 3       | Form CHG 1 filed on 27.06.2024 for Creation of charge on 15.05.2024 in favour of State Bank of India by creation of Hypothecation Deed and Mortgage. The Company had attached an arrangement letter entered into with SBI containing all details of the borrowings and properties/assets charged.<br><br>However, inadvertently Deed of Hypothecation And Mortgage Deed were not attached in the form.                                                                                                                                                                                                                                    | The Company has submitted copies of the Deed of Hypothecation and Mortgage Deed with the RoC in Form GNL-2.                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| 4       | Form DIR-12 filed on 17.08.2024 for appointment of Mrs. Priya Somani as additional director on 22.07.2024 wherein the Company missed attaching the final signed copy of Board Resolution dated 22.07.2024. Further, the Company had appointed Somani as Whole Time Director in the same meeting held on 22.07.2024, it missed out on filing separate DIR-12 for appointment as Whole-time Director.<br><br>Subsequently, in AGM held on 26.07.2024, Mrs. Somani was confirmed as Whole Time Director and accordingly the Company filed DIR-12 after the AGM for change in designation from "Additional Director" to "Whole Time Director" | Inadvertently, the Company missed attaching the certified copy of board resolution for appointment of Priya Somani as an Additional Director. The same has been submitted with the RoC in Form GNL-2.<br><br>Further, the DIR 12 for change in designation from "Additional Director" to "Whole Time Director" w.e.f. 22.07.2024 cannot be filed now in view of a subsequent filing of DIR 12 of AGM dt. 26.07.2024, we have filed the resolution passed by the Board on July 22, 2024 for appointment of Priya Somani as Whole-time Director with the RoC in Form GNL-2. |
| 5       | Form: MGT 7/7A (Submission of Annual Return)<br>While filing eForm MGT 7/7A for respective years from 2020-21 to 2022-23, the Company had inadvertently made certain clerical errors in Form MGT 7/7A filed by the Company.                                                                                                                                                                                                                                                                                                                                                                                                               | By inadvertence, certain clerical errors reported in the MGT 7A/7. The correct details have been submitted with the RoC in Form GNL-2.                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| 6       | MGT 14 for special resolution approved by the members on 21.07.2014 was filed with MCA on 11.10.2024 with regards to prior approval of shareholders for conversion of loan into equity.                                                                                                                                                                                                                                                                                                                                                                                                                                                   | The Company has passed the shareholder resolution for prior approval of conversion of unsecured loan into equity on 21.07.2014, which was duly recorded in the minute book also, however company has inadvertently missed out on filing of the MGT 14 of the same and as soon as it was brought to its notice, Company has duly submitted the same with applicable additional fees on 11.10.2024.                                                                                                                                                                         |
| 7       | There were delays in filing of certain forms and returns with the Registrar of Companies                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Due to inadvertence and without any mala fide intentions, certain forms/returns with the Registrar of Companies ("RoC") were filed with delay alongwith applicable additional fees. Further, there were certain clerical mistakes and certain deficiencies in following secretarial standards issued by the Institute of Company Secretaries of India in certain forms and returns filed with MCA and that such instances were purely unintentional and by inadvertence and the Company assures the office of RoC to ensure timely and appropriate filings in future.     |

We hereby confirm that the aforementioned non-compliances shall not have a material impact on the business and financials of our Company.

The said intimation has been included as a material document for inspection in the section titled "*Material Contracts and Documents for Inspection*" starting on page 322 of this Draft Red Herring Prospectus.

Although no regulatory action, fine or penalty has been taken/ levied on our Company for the abovementioned purported default / non-compliance, however, it cannot be assured that no such regulatory action, fine or penalty will be taken/ levied in the future. Further, we cannot assure you that such non-compliances will not occur in the future. Therefore, if the concerned authorities impose monetary penalties on us or take certain punitive actions against our Company or its directors/ officers in relation to the same, our business and financial condition could be adversely affected.

**15. Our Company requires significant amount of working capital for a continuing growth. Our inability to meet our working capital requirements may adversely affect our results of operations.**

Our business requires a significant amount of working capital. As per our settled business terms, we require our customers to pay the full amount of the consideration only after they receive the delivery of the order, as a result, significant amounts of our working capital are often required to finance the purchase of raw material and execution of manufacturing processes before payment is received from our customers. Further, we are also required to meet the increasing demand and for achieving the same, adequate stocks have to be maintained which requires sufficient working capital. The FMCG industry all over the world is expecting an increase in demand on account of various factors such as, population growth, urbanization, rising disposable

incomes, technological advancements, and changing consumer preferences. Variation in demand in the FMCG industry, which would directly increase the demand of our products due to their usage as a raw material. In the event, we are unable to source the required amount of working capital for addressing such increased demand of our products, we might not be able to efficiently satisfy the demand of our customers. Even if we are able to source the required amount of funds, we cannot assure you that such funds would be sufficient to meet our cost estimates and that any increase in the expenses will not affect the price of our products.

The Company's working capital requirements for the three-month period ended June 30, 2024 and for the year ended March 31, 2024, 2023 and 2022 and funding of the same are as set out in the table below:

(₹ In lakhs)

| Particulars                        | June 30,2024    | March 31,2024   | March 31,2023   | March 31,2022 |
|------------------------------------|-----------------|-----------------|-----------------|---------------|
| <b>Current Assets</b>              |                 |                 |                 |               |
| Inventories                        | 1,437.96        | 1,313.82        | 851.36          | 275.79        |
| Trade Receivables                  | 736.46          | 283.49          | 58.95           | 207.41        |
| Cash and Bank Balance              | 20.42           | 87.74           | 10.90           | 5.38          |
| Short Term Loans and Advances      | 389.44          | 122.62          | 195.23          | 54.92         |
| Other Current Assets               | 17.53           | 18.57           | 13.23           | 17.48         |
| <b>Total (A)</b>                   | <b>2,601.81</b> | <b>1,826.24</b> | <b>1,129.67</b> | <b>560.98</b> |
| <b>Current Liabilities</b>         |                 |                 |                 |               |
| Trade Payables                     | 488.91          | 486.84          | 333.84          | 102.65        |
| Other Current Liabilities          | 21.37           | 45.15           | 49.76           | 19.11         |
| Short Term Provisions              | 160.02          | 109.37          | 6.86            | 7.35          |
| <b>Total (B)</b>                   | <b>670.30</b>   | <b>641.36</b>   | <b>390.46</b>   | <b>129.11</b> |
| <b>Net Working Capital (A)-(B)</b> | <b>1,931.51</b> | <b>1,184.88</b> | <b>739.21</b>   | <b>431.87</b> |
| <b>Sources of Working Capital</b>  |                 |                 |                 |               |
| Borrowings                         | 839.79          | 493.57          | 413.00          | 263.84        |
| Net worth                          | 1,091.72        | 691.31          | 326.21          | 168.03        |

Further, one of the objects of this Offer include funding of working capital requirements of our Company, which is based on management estimates and certain assumptions. For more information in relation to such management estimates and assumptions, please see "Objects of the Offer" on page 92. Our working capital requirements may be subject to change due to factors beyond our control including force majeure conditions, an increase in defaults by our customers, non-availability of funding from banks or financial institutions. Accordingly, such working capital requirements may not be indicative of the actual requirements of our Company in the future and investors are advised to not place undue reliance on such estimates of future working capital requirements.

While, there have been no instances in the past where the Company was unable to meet our working capital requirements that adversely affected our results of operations. Any delay in processing our payments by our customers may increase our working capital requirement. Further, if a customer defaults in making payments for a product on which we have devoted significant resources, it could affect our profitability and liquidity and decrease the capital reserves that are otherwise available for other uses. We may file a claim for compensation of the loss that we incurred pursuant to such defaults but settlement of disputes generally takes time and financial and other resources, and the outcome is often uncertain. In general, we take provisions for bad debts, including those arising from such defaults based primarily on ageing and other factors such as special circumstances relating to special customers. There can be no assurance that such payments will be remitted by our clients to us on a timely basis or that we will be able to effectively manage the level of bad debt arising from defaults. We may also have large cash outflows, including among others, losses resulting from environmental liabilities, litigation costs, adverse political conditions, foreign exchange risks and liability claims.

All of these factors may result, in increase in the amounts of receivables and short-term borrowings. If we decide to raise additional funds through the incurrence of debt, our interest and debt repayment obligations will increase, and could have a significant effect on our profitability and cash flows and we may be subject to additional covenants, which could limit our ability to access cash flows from operations. Any issuance of equity, on the other hand, could result in a dilution of your shareholding. Accordingly, continued increases in our working capital requirements may have an adverse effect on our financial condition and results of operations. While, such instances have not occurred in the past, however occurrence of such instances in the future may have an adverse effect on our financial condition and results of operations.

**21. Any manufacturing or quality control problems may damage our reputation for quality products and expose us to litigation or other liabilities, which could adversely affect our financial results.**

Food Processing and dehydration are subject to significant regulatory scrutiny. We own and operate one manufacturing facility

in Madhya Pradesh and must register, and manufacture products in these facilities in accordance with applicable regulatory regime in India and the countries in which we export our products. Furthermore, we are liable for the quality of our products for the entire duration of the shelf life of the product. After our products reach the market after certain developments and additions by our primary customers which could adversely affect demand for our products, including any contamination of our products by intermediaries, re-review of products that are already marketed, new scientific information, greater scrutiny in advertising and promotion, the discovery of previously unknown side effects or the recall or loss of approval of products that we manufacture, market or sell. There has been an instance in the past, wherein one of our clients from United States of America had rejected an entire export shipment of dehydrated carrot, on account of contamination of the packaging with faeces of birds, during transit. On reporting of such an event, our Company advised its client to dispose off the entire shipment, as a result of which it incurred a loss of ₹ 26.46 lakhs. Despite the above, the client chose not to initiate any legal action against our Company. There can be no assurance that there will not be any regulatory actions, recalls of any of our products or investigations of our manufacturing facilities or our processes in the future. We also face the risk of loss resulting from, and the adverse publicity associated with, manufacturing or quality problems. Such adverse publicity harms the brand image of our Company and products. We may be subject to claims resulting from manufacturing defects or negligence in storage and handling of our products. The existence, or even threat, of a major product liability claim could also damage our reputation and affect consumers' views of our other products, thereby adversely affecting our business, results of operations and financial condition. Any loss of our reputation or brand image, for whatsoever reason may lead to a loss of existing business contracts and adversely affect our ability to enter into additional business contracts in the future.

**23. *Any delays and/or defaults in customer payments could result in increase of working capital investment and/or reduction of our Company's profits, thereby affecting our operation and financial condition.***

We are exposed to payment delays and/or defaults by our customers. Our financial position and financial performance are dependent on the creditworthiness of our customers. Any delays in payments may require our Company to make a working capital investment. We cannot assure you that payments from all or any of our customers will be received in a timely manner or to that extent will be received at all. If a customer defaults in making its payments on an order on which our Company has devoted significant resources, or if an order in which our Company has invested significant resources is delayed, cancelled or does not proceed to completion, it could have a material adverse effect on our Company's results of operations and financial condition. While there have been no instances of delays and/or defaults in receipt of payments from our customers that resulted in an increase in working capital required, however we cannot assure you that such instances will not occur in the future. There is no guarantee on the timeliness of all or any part of our customers' payments and whether they will be able to fulfill their obligations, which may arise from their financial difficulties, deterioration in their business performance, or a downturn in the global economy. If such events or circumstances occur, our financial performance and our operating cash flows may be adversely affected.

**32. *If we are unable to identify customer demand accurately and maintain an optimal level of inventory proportionately, our business, results of operations and financial condition may be adversely affected.***

The success of our business depends upon our ability to anticipate and forecast customer demand and trends. Any error in such identification could result in either surplus stock, which we may not be able to sell in a timely manner, or no stock at all, or under stocking, which will affect our ability to meet customer demand. We plan our inventory and estimate our sales based on the forecast, demand and requirements for our products based on past data. An optimal level of inventory is important to our business as it allows us to respond to customer demand effectively by readily making our products available to our customers. Ensuring continuous availability of our products requires prompt turnaround time and a high level of coordination across raw material procurement, manufacturers, suppliers, warehouse management and departmental coordination. While we aim to avoid under-stocking and over-stocking, our estimates and forecasts may not always be accurate and there have been no instances in the past that would suggest an inability of our Company to identify customer demand accurately and maintain an optimal level of inventory proportionately, however occurrence of any such events may impact our business, results of operations and financial condition. If we fail to accurately forecast customer demand, we may experience excess inventory levels or a shortage of products available for sale. If we over-stock inventory, our capital requirements may increase and we may incur additional financing costs. Any unsold inventory would have to be sold at a discount, leading to losses. We cannot assure you that we will be able to sell surplus stock in a timely manner, or at all, which in turn may adversely affect our business, results of operations and financial condition. If we under-stock inventory, our ability to meet customer demand may be adversely affected.

**40. *Our agreements with lenders for financial arrangements contain restrictive covenants for certain activities and if we are unable to get their approval, it might restrict our scope of activities and impede our growth plans.***

We have entered into agreements for our borrowings with certain lenders. These borrowings include secured fund based and non-fund based facilities. These agreements include restrictive covenants which mandate certain restrictions in terms of our

business operations such as change in capital structure, formulation of any scheme of amalgamation or reconstruction, declaring dividends, further expansion of business, granting loans to directors, repaying unsecured loans from third parties, undertake guarantee obligations on behalf of any other borrower, which require our Company to obtain prior approval of the lenders for any of the above activities. We hereby confirm that we have received no-objection certificates from our lenders from whom secured loans were availed, for the purpose of undertaking this Offer. We cannot assure you that our lenders will provide us with these approvals in the future. For details of these restrictive covenants, please refer to chapter titled — “*Financial Indebtedness*” on page 229 of this Draft Red Herring Prospectus.

Further, some of our financing arrangements include covenants to maintain our total outside liabilities and total net worth up to a certain limit and certain other liquidity ratios. We cannot assure prospective investors that such covenants will not hinder our business development and growth in the future. A default under one of these financing agreements may also result in cross-defaults under other financing agreements and result in the outstanding amounts under such financing agreements becoming due and payable immediately. Defaults under one or more of our Company’s financing agreements may limit our flexibility in operating our business, which could have an adverse effect on our cash flows, business, results of operations and financial condition.

It may be possible for a lender to assert that we have not complied with all applicable terms under our existing financing documents. Further we cannot assure that we will have adequate funds at all times to repay these credit facilities and may also be subject to demands for the payment of penal interest.

***58. We could be harmed by employee misconduct or errors that are difficult to detect and any such incidences could adversely affect our financial condition, results of operations and reputation.***

Employee misconduct or errors could expose us to business risks or losses, including regulatory sanctions and cause serious harm to our reputation. There can be no assurance that we will be able to detect or deter such misconduct. Moreover, the precautions we take to prevent and detect such activity may not be effective in all cases. Our employees and agents may also commit errors that could subject us to claims and proceedings for alleged negligence, as well as regulatory actions. While, there have been no instances in the past that would suggest any employee misconduct or errors that are difficult to detect or any such incidences on account of which our business, financial condition, results of operations and goodwill could be adversely affected, however occurrence of such events may impact our business, financial condition and results of operations.

***59. We are dependent on a newly formed team of Key Managerial Personnel and Senior Managerial Personnel, which may present potential challenges in areas such as cultural alignment, operational efficiency, stakeholder confidence, and the execution of strategic initiatives. If we are unable to attract or retain such qualified personnel, this could adversely affect our business, financial condition and results of operations.***

Our Company has recently undergone a transition, with all Key Managerial Personnel (KMP) and Senior Managerial Personnel (SMP) being recruited post FY24. We are dependent on our new team of Key Managerial Personnel and Senior Managerial Personnel, to manage our current operations and meet future business challenges. While we have a new management team in place, we cannot guarantee that the team will not face difficulties in aligning with our Company’s culture, operational processes, and strategic goals, which could affect decision-making and operational efficiency. Furthermore, the team’s ability to effectively navigate the industry, understand market dynamics, and successfully implement key initiatives is still unproven, potentially leading to delays or suboptimal performance. For details in relation to the experience of our Key Managerial Personnel and our Senior Management Personnel, please see the Chapter titled “*Our Management*” beginning on page 164 of the Draft Red Herring Prospectus.



## **OBJECTS OF THE OFFER**

Set forth below is the detail of the installed and utilized capacity of our manufacturing unit for the last three years.

| Products                                                                 | Units | 2021-22    |               |               | 2022-23    |               |               | 2023-24     |               |               |
|--------------------------------------------------------------------------|-------|------------|---------------|---------------|------------|---------------|---------------|-------------|---------------|---------------|
|                                                                          |       | Capacity   | Production    | Utilization   | Capacity   | Production    | Utilization   | Capacity    | Production    | Utilization   |
| Dehydrated Carrot A grade                                                | MT    | 400        | 340           | 85%           | 400        | 325           | 81.25%        | 650         | 455           | 70%           |
| Dehydrated Carrot B grade                                                | MT    | 100        | 80            | 80%           | 100        | 90            | 90%           | 200         | 150           | 60%           |
| Dehydrated Ring Beans                                                    | MT    | 200        | 150           | 75%           | 200        | 165           | 82.5%         | 300         | 265           | 88%           |
| Dehydrated Cabbage                                                       | MT    | 200        | 120           | 60%           | 200        | 130           | 65%           | 250         | 150           | 50%           |
| Dehydrated Carrot B Grade/Dehydrated White Onion/Dehydrated Carrot Churi | MT    | 50         | 28.55         | 57.1%         | 50         | 20.84         | 41.68%        | 100         | 87.50         | 87.50%        |
| <b>TOTAL</b>                                                             |       | <b>950</b> | <b>718.55</b> | <b>75.63%</b> | <b>950</b> | <b>730.84</b> | <b>76.93%</b> | <b>1500</b> | <b>1107.5</b> | <b>73.83%</b> |

We confirm that the estimates disclosed in this Draft Red Herring Prospectus have been obtained from a third party which is independent

### *Setting up of on-grid rooftop solar PV system of a capacity of 149.04KWp*

The details of the estimated total cost of electricity to be incurred by our Company post-installation of Solar Plant, and Net Savings on account of commissioning of Solar Plant have been provided below:

| Month                | Unit Consumed | Average cost of Electricity per Unit | Units Generated by 149.04 Kw Solar estimating 4 units per Kw per Day (For 30 days) | Balance to be consumed | Saving on electricity Cost |
|----------------------|---------------|--------------------------------------|------------------------------------------------------------------------------------|------------------------|----------------------------|
| April 23             | 1,20,786      | 7.26                                 | 17,884                                                                             | NIL                    | 1,29,837.00                |
| May 23               | 70,697        | 7.26                                 | 17,884                                                                             | NIL                    | 1,29,837.00                |
| June 23              | 43,908        | 7.26                                 | 17,884                                                                             | NIL                    | 1,29,837.00                |
| July 23              | 31,188        | 7.26                                 | 17,884                                                                             | NIL                    | 1,29,837.00                |
| August 23            | 53,982        | 7.26                                 | 17,884                                                                             | NIL                    | 1,29,837.00                |
| September 23         | 36,006        | 7.26                                 | 17,884                                                                             | NIL                    | 1,29,837.00                |
| October 23           | 32,783        | 7.26                                 | 17,884                                                                             | NIL                    | 1,29,837.00                |
| November 23          | 7,464         | 7.26                                 | 17,884                                                                             | 10,420                 | 54,188.64                  |
| December 23          | 56,430        | 7.26                                 | 17,884                                                                             | NIL                    | 2,04,761.04                |
| January 24           | 87,561        | 7.26                                 | 17,884                                                                             | NIL                    | 1,29,837.00                |
| February 24          | 88,796        | 7.26                                 | 17,884                                                                             | NIL                    | 1,29,837.00                |
| March 24             | 98,858        | 7.26                                 | 17,884                                                                             | NIL                    | 1,29,837.00                |
| <b>Total Savings</b> |               |                                      |                                                                                    |                        | <b>15,57,317.68</b>        |

### **Schedule of implementation of the aforesaid objects:**

| Sr. No | Activity Description                  | Start Schedule | Target Completion |
|--------|---------------------------------------|----------------|-------------------|
| 1.     | Planning and procurement of equipment | June 1, 2025   | June 30, 2025     |
| 2.     | Solar installation                    | June 30, 2025  | July 10, 2025     |

### **2. Funding of working capital requirements**

## Justifications

| Particulars    | Justification                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|----------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Trade Payables | <p>Over the past three fiscal years, the company has seen an increase in its trade payable days. These days increased from 44 in Fiscal 2022 to 97 in Fiscal 2023, followed by a further rise to 119 days in Fiscal 2024. As of June 30, 2024, there was a notable increase to 123 days. Looking ahead, the company anticipates a stabilization at 92 days in Fiscal 2025, with a further reduction to 57 days in Fiscal 2026. This trend in trade payable days reflects our strategic approach to supplier management within the dehydration industry. The initial increase in trade payable days was a direct result of our efforts to leverage negotiating power to secure extended payment terms. This strategy aligned with longer receivable cycles and was aimed at optimizing cash flow, particularly during a period of working capital constraints. During Fiscal 2022 to Fiscal 2024, we faced a shortage of working capital, which led to delays in payments to our trade payables. This, in turn, resulted in higher costs for raw materials from creditors.</p> <p>However, with the increase in our working capital facility in the current year, we intend to reduce our trade payable days moving forward. By doing so, we aim to take advantage of lower raw material prices, thereby improving our gross margins. The projected decrease in payable days also indicates a shift towards more timely payments, driven by our commitment to maintaining strong supplier relationships and ensuring a reliable supply of raw materials.</p> <p>To reduce raw material costs and improve profitability, the company plans to shorten its payable days. By analyzing raw material needs, the company buys directly from farmers, to avail a discount on the raw material procured, the Company is required to make upfront payment to such farmers. We believe that reducing payable days will enable the company to take advantage of these discounts, lowering costs and improve profitability.</p> |

## Interim Use of Funds

Pending utilisation for the purposes described above, we undertake to temporarily invest the funds from the Net Proceeds only with scheduled commercial banks. In accordance with Section 27 of the Companies Act 2013 and the applicable laws, our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in shares of any other listed company or for any investment in the equity markets. Further, the interim use of funds, if made, shall be made in accordance with the applicable laws.

## **BASIS FOR OFFER PRICE**

### **Industry Price / Earning (P/E) Ratio**

Based on the peer company information (excluding our Company) given below in this section:

| <b>Particulars</b> | <b>P/E ratio</b> |
|--------------------|------------------|
| Industry           |                  |
| Highest            | 38.66            |
| Lowest             | 38.66            |
| Average            | <b>38.66</b>     |

Notes: P/E ratio has been computed based on the closing market price of equity shares on BSE as on November 18, 2024, divided by the diluted EPS for the year ended March 31, 2024.

### **Comparison with listed industry peer:**

Following is the comparison with our peer companies listed in India:

| <b>Name Of the Company</b>     | <b>For the year ended 2024</b> |                                |                  |                    |                                   |                                |                                 |
|--------------------------------|--------------------------------|--------------------------------|------------------|--------------------|-----------------------------------|--------------------------------|---------------------------------|
|                                | <b>Face value</b>              | <b>Revenue from operations</b> | <b>Basic EPS</b> | <b>Diluted EPS</b> | <b>P/E (based on Diluted EPS)</b> | <b>Return on net worth (%)</b> | <b>NAV per Equity Share (₹)</b> |
|                                | <b>(₹)</b>                     | <b>(₹ in lakhs)</b>            | <b>(₹)</b>       | <b>(₹)</b>         |                                   |                                |                                 |
| Sawaliya Food Products Limited | 10                             | 2,339.78                       | 4.50             | 4.50               | [●]                               | 56.04%                         | 10.07                           |
| <b>Peer Group</b>              |                                |                                |                  |                    |                                   |                                |                                 |
| Prime Fresh Limited            | 10                             | 14,920.90                      | 5.11             | 5.11               | 38.66                             | 11.35%                         | 45.49                           |

Source: All the financial information for listed industry peers mentioned above is on Consolidated basis as available sourced from the financial Reports of the peer company uploaded on the BSE website for the year ended March 31, 2024.

Notes:

1. P/E Ratio has been computed based on the closing market price of equity shares on the BSE website on November 18, 2024, divided by the Diluted EPS.
2. Return on Net-worth has been computed as the Net Profit after tax, as restated divided by Net-worth, as restated (Net worth include share capital and reserves and surplus)
3. NAV is computed as the closing net worth divided by the weighted average number of equity shares outstanding.

### **Comparison of financial KPIs and Operational KPIs of our Company and our listed peer:**

| <b>Metric</b>                         | <b>Sawaliya Food Products Limited</b> |                                      |                                      | <b>Prime Fresh Limited</b>           |                                      |                                      |
|---------------------------------------|---------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
|                                       | <b>As of and for the Fiscal 2024</b>  | <b>As of and for the Fiscal 2023</b> | <b>As of and for the Fiscal 2022</b> | <b>As of and for the Fiscal 2024</b> | <b>As of and for the Fiscal 2023</b> | <b>As of and for the Fiscal 2022</b> |
| Revenue From operations (₹ in Lakhs)  | 2,339.78                              | 1,508.87                             | 1,356.26                             | 14,920.90                            | 9,934.55                             | 7,720.21                             |
| Total revenue (₹ in lakhs)            | 2,367.04                              | 1,530.26                             | 1,364.64                             | 14,957.55                            | 9,969.15                             | 7,742.68                             |
| Operating EBITDA (₹ in lakhs)         | 597.68                                | 161.05                               | 140.71                               | 973.46                               | 710.71                               | 488.10                               |
| Operating EBITDA Margin (%)           | 25.54                                 | 10.67                                | 10.38                                | 6.52%                                | 7.15%                                | 6.32%                                |
| Profit after tax (₹ in lakhs)         | 329.23                                | 59.41                                | 73.37                                | 704.46                               | 512.69                               | 334.32                               |
| PAT Margin (%)                        | 14.07                                 | 3.94                                 | 5.41                                 | 4.72%                                | 5.16%                                | 4.33%                                |
| Return on Equity (ROE) (%)            | 77.85                                 | 25.99                                | 45.06                                | 15.24%                               | 19.80%                               | 16.94%                               |
| Return on Capital Employed (ROCE) (%) | 47.32                                 | 13.67                                | 20.61                                | 16.02%                               | 24.06%                               | 23.01%                               |

| Metric                     | Sawaliya Food Products Limited   |                                  |                                  | Prime Fresh Limited              |                                  |                                  |
|----------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
|                            | As of and for the<br>Fiscal 2024 | As of and for the<br>Fiscal 2023 | As of and for the<br>Fiscal 2022 | As of and for the<br>Fiscal 2024 | As of and for the<br>Fiscal 2023 | As of and for the<br>Fiscal 2022 |
| Debt to Equity Ratio       | 2.20                             | 5.17                             | 3.54                             | 0.00                             | 0.16                             | 0.20                             |
| Current Ratio              | 1.39                             | 1.24                             | 1.17                             | 7.37                             | 4.07                             | 3.90                             |
| Net Capital Turnover Ratio | 4.60                             | 6.96                             | 16.65                            | 2.79                             | 3.43                             | 3.54                             |

## OUR BUSINESS

### OVERVIEW

The table below sets forth a break-up of the revenue earned by our Company across various countries during the preceding three years:

| Country      | Three-month period ended       |                    | Fiscal                         |                    |                                |                    |                                |                    |
|--------------|--------------------------------|--------------------|--------------------------------|--------------------|--------------------------------|--------------------|--------------------------------|--------------------|
|              | June 30, 2024                  |                    | 2024                           |                    | 2023                           |                    | 2022                           |                    |
|              | Revenue earned in (₹ in lakhs) | % of total revenue | Revenue earned in (₹ in lakhs) | % of total revenue | Revenue earned in (₹ in lakhs) | % of total revenue | Revenue earned in (₹ in lakhs) | % of total revenue |
| USA          | -                              | -                  | 229.72                         | 10%                | 202.46                         | 13%                | 316.43                         | 23%                |
| <b>Total</b> | -                              | -                  | <b>229.72</b>                  | <b>10%</b>         | <b>202.46</b>                  | <b>13%</b>         | <b>316.43</b>                  | <b>23%</b>         |

### *Flexible and diversified product portfolio:*

| Particulars                             | Three-month period ended       |                                    | Fiscal                         |                                    |                                |                                    |                                |                                    |
|-----------------------------------------|--------------------------------|------------------------------------|--------------------------------|------------------------------------|--------------------------------|------------------------------------|--------------------------------|------------------------------------|
|                                         | June 30, 2024                  |                                    | 2024                           |                                    | 2023                           |                                    | 2022                           |                                    |
|                                         | Revenue earned in (₹ in lakhs) | % of total revenue from operations | Revenue earned in (₹ in lakhs) | % of total revenue from operations | Revenue earned in (₹ in lakhs) | % of total revenue from operations | Revenue earned in (₹ in lakhs) | % of total revenue from operations |
| <b>Our Main Products</b>                |                                |                                    |                                |                                    |                                |                                    |                                |                                    |
| Dehydrated Carrot Cubes (A Grade)       | 450.29                         | 60.64                              | 689.80                         | 29.48                              | 605.15                         | 40.11                              | 698.11                         | 51.47                              |
| Dehydrated Cabbage Flakes (A Grade)     | 202.40                         | 27.26                              | 61.16                          | 2.61                               | 199.91                         | 13.25                              | 149.48                         | 11.02                              |
| Dehydrated Ring Beans (A Grade)         | 48.17                          | 6.49                               | 740.44                         | 31.65                              | 488.55                         | 32.38                              | 424.04                         | 31.27                              |
| Washed Carrot                           | 18.73                          | 2.52                               | 609.51                         | 26.05                              | -                              | -                                  | -                              | -                                  |
| <b>Our Ancillary Products</b>           |                                |                                    |                                |                                    |                                |                                    |                                |                                    |
| Dehydrated Carrot Cubes (B Grade)       | -                              | -                                  | 142.65                         | 6.10                               | 116.55                         | 7.72                               | 66.34                          | 4.89                               |
| Dehydrated White Onion Flakes (A Grade) | -                              | -                                  | 88.89                          | 3.80                               | 8.96                           | 0.59                               | -                              | -                                  |
| Dehydrated Carrot Churi                 | -                              | -                                  | 7.32                           | 0.31                               | 4.00                           | 0.27                               | 18.27                          | 1.35                               |
| Carrot                                  | 19.54                          | 2.63                               | -                              | -                                  | 83.30                          | 5.52                               | -                              | -                                  |
| Dextrose Mono Hydrate                   | 3.39                           | 0.46                               | -                              | -                                  | -                              | -                                  | -                              | -                                  |
| Dehydrated White Onion Skin             | -                              | -                                  | -                              | -                                  | 0.85                           | 0.06                               | -                              | -                                  |
| Dehydrated White Onion Unsorted         | -                              | -                                  | -                              | -                                  | 1.60                           | 0.11                               | -                              | -                                  |
| <b>Total</b>                            | <b>742.53</b>                  | <b>100.00</b>                      | <b>2,339.78</b>                | <b>100.00</b>                      | <b>1,508.87</b>                | <b>100.00</b>                      | <b>1,356.26</b>                | <b>100.00</b>                      |

### *Quality Assurance and Quality Control of our products*

| Description         | Upto June 30, 2024 | 2023-2024 | 2022-2023 | 2021-2022 |
|---------------------|--------------------|-----------|-----------|-----------|
| Level of Automation | 85%                | 85%       | 85%       | 60%       |

We hereby submit that the Company has conducted trial runs to test the manufacturing process and suitability of the current equipment in the manufacturing. The samples which were manufactured were sent to the customers and the Company observed

certain shortcomings in the current equipment base. The Company is presently planning to modify the equipment which suit the process required for new products. Upon completion of this, the Company will market products and approach new customers for the same.

### ***Addition of ‘dried papaya, dried beetroot and dried pumpkin’ as additional products***

Based on the orders received by our Company for dried papaya, dried beetroot and dried pumpkin, we had undertaken trial runs for manufacturing the said products in our manufacturing unit. The products derived during the trial runs were sent as samples to our customers. Presently, our Company is in the process of planning an upgrade of its equipment to manufacture the new products on a regular basis.

## **OUR COMPETITIVE STRENGTHS**

### ***Strategically located manufacturing facility with modern infrastructure and integrated manufacturing facilities with a core focus on quality.***

Our Company produces dried vegetables by extracting moisture using a dryer. In October 2024 our Company had installed an dewatering vibrating screen to remove moisture. This has helped in reducing the drying time for vegetables. Please find below of moisture content and drying time of vegetables before and after installing dewatering vibrating screen:

| <b>Particulars*</b>                                           | <b>Before Installing Dewatering Vibrating Screen</b> | <b>After Installing Dewatering Vibrating Screen</b> |
|---------------------------------------------------------------|------------------------------------------------------|-----------------------------------------------------|
| <b>Initial Moisture of Vegetables before feeding to Dryer</b> | 98.0%                                                | 92.0%                                               |
| <b>Drying Time for Vegetables in Dryer</b>                    | 300-330 Minutes                                      | 250-280 Minutes                                     |

*\*As certified by M/s Mayank Maithil, Independent Chartered Engineer, pursuant to its certificate dated December 24, 2024.*

We believe that after installation of dewatering screen initial moisture of vegetables is reduced by 6% before feeding it to dryer. This reduction of moisture reduces overall drying time of vegetables, leading to preservation of essential nutrients of vegetables, leading to higher quality of products and increased efficiency of manufacturing process. Above process has increased companies efficiency in producing dried vegetables. Apart from above machinery installation we have also increased our infrastructure by building raw material shade for faster unloading of raw material and reducing the waiting time of trucks in factory premises benefitting us in our operations.

## **DETAILS OF OUR BUSINESS**

### **PRODUCTS**

#### **Washed Carrot:**

We usually store carrot in our cold storage to ensure timely availability of raw material during seasonal variations or period during which the supply of carrot experiences a shortage. We further clarify that the process involved in processing of washed carrot involves a number of steps and has been enumerated below for reference:

- Carrots stored in cold storage are sent to the processing plant, for further processing;
- Carrots are washed using water to remove dirt and debris;
- These washed carrots pass through a sorting belt where are sorted according to size i.e., small broken pieces are removed and sent to drying line for producing dried carrot, and other impurities are removed;
- Washed carrot obtained from above process after removing broken pieces are polished using brush peelers to remove fibre;
- Good quality washed carrot are packed and sent to traders and further processors.

Our Company has adopted a zero-wastage policy to ensure efficient resource utilization, wherein, unutilized raw materials, such as carrots, are sold to capitalise market fluctuations. Sale of such products are categorised as ‘carrots’ in the revenue bifurcation.

### **LIST OF MACHINERY**

Following is the list of major machinery installed at our manufacturing unit:

| Sr. No. | Description of Plant/ Machinery/ Utility | Quantity/ No. of machinery | Capacity              | Series No. of Equipment | No. of batches per day | Production (MT/M) | Owned/ Leased | Second-hand/New |
|---------|------------------------------------------|----------------------------|-----------------------|-------------------------|------------------------|-------------------|---------------|-----------------|
| 1       | Vegetable Washer                         | 1                          | Fresh 2 MT/hr         | NA                      | Continuous             | 900 MT            | Owned         | New             |
| 2       | Carrot Destoner                          | 1                          | Fresh 2 MT/hr         | NA                      | Continuous             | 900 MT            | Owned         | New             |
| 3       | Beans Snipper                            | 7                          | Fresh 2 MT/hr         | NA                      | Continuous             | 900 MT            | Owned         | New             |
| 4       | Carrot Barrel Washer                     | 1                          | Fresh 2 MT/hr         | NA                      | Continuous             | 900 MT            | Owned         | New             |
| 5       | Dicer                                    | 2                          | Fresh 2 MT/hr         | NA                      | Continuous             | 900 MT            | Owned         | New             |
| 6       | Slicer                                   | 1                          | Fresh 2 MT/hr         | NA                      | Continuous             | 900 MT            | Owned         | New             |
| 7       | Blancher                                 | 2                          | Fresh 2 MT/hr         | NA                      | Continuous             | 900 MT            | Owned         | New             |
| 8       | Carrot Peeler                            | 2                          | Fresh 2 MT/hr         | NA                      | Continuous             | 900 MT            | Owned         | New             |
| 9       | Sugar Mixer                              | 2                          | Fresh 2 MT/hr         | NA                      | Continuous             | 900 MT            | Owned         | New             |
| 10      | Continuous Dryer Boiler Based            | 1                          | Dried 200 kg/hr       | NA                      | Continuous             | 125 MT            | Owned         | New             |
| 11      | Continuous Dryer Heat Pump Based         | 1                          | Dried 200 kg/hr       | NA                      | Continuous             | 125 MT            | Owned         | New             |
| 12      | Grader                                   | 1                          | Dried 500 kg/hr       | NA                      | Continuous             | 125 MT            | Owned         | New             |
| 13      | Color Sorter                             | 1                          | Dried 500 kg/hr       | NA                      | Continuous             | 125 MT            | Owned         | New             |
| 14      | Bin Dryers                               | 9                          | Dried 500 kg/hr       | NA                      | Continuous             | 125 MT            | Owned         | New             |
| 15      | Metal Detector                           | 1                          | Dried 500 kg/hr       | NA                      | Continuous             | 125 MT            | Owned         | New             |
| 16      | Conveyors                                | 15                         | NA                    | NA                      | Continuous             | NA                | Owned         | New             |
| 17      | Boiler                                   | 1                          | 2000000 lakhs kcal/hr | NA                      | Continuous             | 125 MT            | Owned         | New             |
| 18      | De-watering vibrator                     | 1                          | Fresh 2 MT/hr         | N.A.                    | Continuous             | 900 MT            | Owned         | New             |

### Capacity Installed and Capacity Utilisation

Set forth below is the detail of the installed and utilized capacity of our manufacturing unit for the last three years.

| Products                                                                 | Units | 2021-22    |               |               | 2022-23    |               |               | 2023-24     |               |               |
|--------------------------------------------------------------------------|-------|------------|---------------|---------------|------------|---------------|---------------|-------------|---------------|---------------|
|                                                                          |       | Capacity   | Production    | Utilization   | Capacity   | Production    | Utilization   | Capacity    | Production    | Utilization   |
| Dehydrated Carrot A grade                                                | MT    | 400        | 340           | 85%           | 400        | 325           | 81.25%        | 650         | 455           | 70%           |
| Dehydrated Carrot B grade                                                | MT    | 100        | 80            | 80%           | 100        | 90            | 90%           | 200         | 150           | 60%           |
| Dehydrated Ring Beans                                                    | MT    | 200        | 150           | 75%           | 200        | 165           | 82.5%         | 300         | 265           | 88%           |
| Dehydrated Cabbage                                                       | MT    | 200        | 120           | 60%           | 200        | 130           | 65%           | 250         | 150           | 50%           |
| Dehydrated Carrot B Grade/Dehydrated White Onion/Dehydrated Carrot Churi | MT    | 50         | 28.55         | 57.1%         | 50         | 20.84         | 41.68%        | 100         | 87.50         | 87.50%        |
| <b>TOTAL</b>                                                             |       | <b>950</b> | <b>718.55</b> | <b>75.63%</b> | <b>950</b> | <b>730.84</b> | <b>76.93%</b> | <b>1500</b> | <b>1107.5</b> | <b>73.83%</b> |

The table below set forth the details of state-wise bifurcation of raw materials of the Company in the past three financial years as

well as stub period in absolute as well as percentage terms:

| State          | For the three-month period ended June 30, 2024 |                     | Fiscal                        |                     |                               |                     |                               |                     |
|----------------|------------------------------------------------|---------------------|-------------------------------|---------------------|-------------------------------|---------------------|-------------------------------|---------------------|
|                |                                                |                     | 2024                          |                     | 2023                          |                     | 2022                          |                     |
|                | Purchase cost in (₹ in lakhs)                  | % of total Purchase | Purchase cost in (₹ in lakhs) | % of total Purchase | Purchase cost in (₹ in lakhs) | % of total Purchase | Purchase cost in (₹ in lakhs) | % of total Purchase |
| Madhya Pradesh | 492.06                                         | 100                 | 1,443.61                      | 83.75               | 1,141.35                      | 81.59               | 613.29                        | 77.98               |
| Gujarat        | -                                              | -                   | 189.55                        | 11.00               | 61.22                         | 4.38                | 25.43                         | 3.23                |
| Punjab         | -                                              | -                   | 80.58                         | 4.67                | 84.74                         | 6.05                | 107.61                        | 13.69               |
| Maharashtra    | -                                              | -                   | -                             | -                   | 107.7                         | 7.7                 | 20.88                         | 2.65                |
| West Bengal    | -                                              | -                   | -                             | -                   | -                             | -                   | 17.30                         | 2.20                |
| Tamil Nadu     | -                                              | -                   | 10.06                         | 0.58                | -                             | -                   | -                             | -                   |
| Haridwar       | -                                              | -                   | -                             | -                   | -                             | -                   | 1.97                          | 0.25                |
| Telangana      | -                                              | -                   | -                             | -                   | 3.94                          | 0.28                | 0.00                          | 0                   |
| <b>Total</b>   | <b>492.06</b>                                  | <b>100</b>          | <b>1,723.80</b>               | <b>100</b>          | <b>1,398.95</b>               | <b>100</b>          | <b>786.49</b>                 | <b>100</b>          |



## **OUR MANAGEMENT**

### **Brief Biographies of our Directors**

**Kartavya Kumar Chitlangya**, aged 43 years, is Non-Executive Director of our Company. He attended Devi Ahilya Vishwavidyalaya, Indore to pursue bachelor's degree in commerce. He attended Maharishi Mahesh Yogi Vedic Vishwavidyalaya to pursue a master's degree in business administration. He is presently associated with Max Life Insurance Company Limited, in the capacity of an independent agent. He is the sole proprietor of Perfect Financial Services, which is engaged in offering loan processing services and has an experience of more than four years in the finance sector. He has been associated with our Company since July 22, 2024.

**Ravikant Gupta**, aged 50 years, is an Independent Director of our Company. He attended Devi Ahilya Vishwavidyalaya, Indore to pursue bachelor's degree in commerce and master's degree in economics and business administration. In the past, he was associated with Skyline Advisory Services Private Limited in the capacity of research executive for more than six years; with Vipul MedCorp TPA Private Limited, in the capacity of assistant manager corporate for more than five years; with Newgen Insurance Broking Private Limited in the capacity of senior manager – business development for more than four years; and with Bharat Re-Insurance Brokers Private Limited in the capacity of SBU-Lead. At present, he is associated with Four Brothers Express Insurance Brokers Private Limited for nine months, in the capacity of area sales manager – Indore since April 1, 2024. He has an experience of more than nineteen years in business development and general management. He has been associated with our Company since July 22, 2024.

**Shweta Bhamare**, aged 32 years, is an Independent Director of our Company. She attended Devi Ahilya Vishwavidyalaya, Indore to pursue bachelor's and master's degree in commerce. She is an associate member of the Institute of Company Secretaries of India. In the past, she was associated with Mohini Health and Hygiene Limited for 2 years, Kalyan Ket Toll Private Limited for more than four months, Simran Feeds Private Limited for one year eight months and Simran Nutrifooods Private Limited for one year seven months, in the capacity of a company secretary. She has an experience of more than four years in the secretarial and compliance industry and has been associated with our Company since July 22, 2024.

## FINANCIAL INDEBTEDNESS

### UNSECURED BORROWINGS,

As on August 31, 2024, we have availed unsecured loans of which the total outstanding amount is ₹ 692.82 lakhs as on that date as per the details below:

| Name of the Lender                           | Nature of Facility | Date of Sanctioned | Sanctioned Amount (₹ in lakhs) | Re-Payment Period | Rate of Interest | Outstanding amount as on 31.08.24 (₹ in lakhs) | Key Terms                                                                                                                                                                                                                                                                                                                                                    |
|----------------------------------------------|--------------------|--------------------|--------------------------------|-------------------|------------------|------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Aditya Birla Finance Limited                 | Business Loan      | October 17, 2022   | 20.00                          | 36 months         | 18% p.a.         | 9.65                                           | <ul style="list-style-type: none"> <li>Amount of each instalment: ₹ 72,305</li> <li>Due date for Instalment: 5th day of each month</li> <li>No pre-payment is allowed in first 6 months from the date of disbursement</li> </ul>                                                                                                                             |
| Cholamandalam Investment and Finance Company | Business Loan      | March 9, 2023      | 20.00                          | 60 months         | 16% p.a.         | 14.43                                          | <ul style="list-style-type: none"> <li>Instalment Frequency: Monthly</li> <li>Instalment commencement date: November 5, 2022</li> <li>First Instalment amount: ₹ 65, 296</li> </ul>                                                                                                                                                                          |
| Hero Fincorp Limited                         | Business Loan      | April 27, 2023     | 15.17                          | 36 months         | 18% p.a.         | 9.82                                           | <ul style="list-style-type: none"> <li>Co-Borrower- Raghav Somani, Krishna Kant Somani, and Madhav Somani</li> <li>Due Date: 3rd of every month</li> <li>Event of Default: If repayment of any facility obligations remain overdue for a period of seven (7) days.</li> </ul>                                                                                |
| ICICI Bank Limited                           | Business Loan      | September 22, 2022 | 20.00                          | 36 months         | 15.50% p.a.      | 8.92                                           | <ul style="list-style-type: none"> <li>Instalment to be paid: ₹70,208 on a monthly basis.</li> <li>Additional Interest: 24.00%</li> </ul>                                                                                                                                                                                                                    |
| Urgo Capital Limited                         | Business Loan      | October 31, 2022   | 25.15                          | 36 months         | 17.00% p.a.      | 12.04                                          | <ul style="list-style-type: none"> <li>First Instalment Amount: ₹ 89,667</li> </ul>                                                                                                                                                                                                                                                                          |
| Yes Bank Limited                             | Business Loan      | October 20, 2022   | 30.00                          | 36 months         | 16.75% p.a.      | 13.17                                          | <ul style="list-style-type: none"> <li>Pre-payment allowed upto payment of 6 EMIs</li> <li>Instalment Frequency: Monthly</li> <li>Foreclosure charges: 7-24 months of EMI repayment – 4% of POS</li> <li>25-26 months of EMI repayment- 3% of POS</li> <li>37-48 months of EMI repayment – 2% of POS</li> <li>&gt;48 months of EMI repayment- NIL</li> </ul> |
| RBL                                          | Business Loan      | September 30, 2022 | 25.00                          | 36 months         | 16.00% p.a.      | 11.16                                          | <ul style="list-style-type: none"> <li>Equated Monthly Instalment: 87,893</li> <li>Repayment cycle: 5<sup>th</sup> of every month</li> <li>Charges of late payment of EMI: 2% additional interest per month on overdue EMI amount</li> </ul>                                                                                                                 |
| Swan Finance Limited                         | Business Loan      | May 10, 2024       | 350.00                         | 12 months         | 15.00% p.a.      | 350.00                                         | <ul style="list-style-type: none"> <li>Penal Interest: 3.00% over and above normal interest</li> <li>Prepayment- After completion of 3 (three) months from the date of disbursement of Loan Amount, the Borrower may choose to pre-pay the Loan Amount in part, without any foreclosure charges or prepayment penalty, provided that</li> </ul>              |

| Name of the Lender     | Nature of Facility | Date of Sanctioned | Sanctioned Amount (₹ in lakhs) | Re-Payment Period | Rate of Interest | Outstanding amount as on 31.08.24 (₹ in lakhs) | Key Terms                                                                                                                                                          |
|------------------------|--------------------|--------------------|--------------------------------|-------------------|------------------|------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                        |                    |                    |                                |                   |                  |                                                | (a) each pre-payment instalment is in a multiple of Rs. 25,00,000 (b) The Borrower has provided to the Lender prior written intimation of at least 7 (seven) days. |
| Raghav Somani          | Unsecured Loan     | -                  | -                              | On demand-        | N.A.             | 124.00                                         | N.A.                                                                                                                                                               |
| Madhav Somani          | Unsecured Loan     | -                  | -                              | On demand         | N.A.             | 65.50                                          | N.A.                                                                                                                                                               |
| Hansha Somani          | Unsecured Loan     | -                  | -                              | On demand         | N.A.             | 28.18                                          | N.A.                                                                                                                                                               |
| Krishnakant Somani HUF | Unsecured Loan     | -                  | -                              | On demand         | N.A.             | 5.02                                           | N.A.                                                                                                                                                               |
| Krishnakant Somani     | Unsecured Loan     | -                  | -                              | On demand         | N.A.             | 18.36                                          | N.A.                                                                                                                                                               |
| Priya Somani           | Unsecured Loan     | -                  | -                              | On demand         | N.A.             | 19.64                                          | N.A.                                                                                                                                                               |
| Vranda Baheti          | Unsecured Loan     | -                  | -                              | On demand         | N.A.             | 2.93                                           | N.A.                                                                                                                                                               |
| <b>Total</b>           |                    |                    |                                |                   |                  | <b>692.82</b>                                  |                                                                                                                                                                    |

## **MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATIONS**

### **REVIEW OF OPERATION FOR THE PERIOD ENDED JUNE 30, 2024:**

*Increase in the PAT Margin in the period ended June 30, 2024 is mainly on account of below points:*

- (i) Increase in GP Margin:

COGS (as percentage of total revenue) decreased from 53% in FY 2023-24 to 49% during the stub period. The raw materials consumed from April 2024 to June 2024 were largely procured during the harvest season of the previous year (i.e., November 2023 to March 2024), with an average procurement price of ₹ 14,990 per MT. In comparison, the average price of raw materials procured during the harvest season of 2022-23 was ₹ 17,247 per MT.

- (ii) Decrease in other expenses:

Other expenses (as percentage of total revenue) reduced from 15% in FY 2023-24 to 9% in the period ended June 30, 2024. This was majorly as a result of decrease in:

| Particulars                          | June – 2024 (3 months) | FY23-24 (12 months) |
|--------------------------------------|------------------------|---------------------|
| Freight and Hammali (Logistics Cost) | 6.50                   | 65.81               |
| Carrot Farming Labour Exp.           | -                      | 19.05               |
| Cutting & Cleaning Expenses          | 2.37                   | 25.01               |
| Repair & Maintenance                 | 0.58                   | 24.01               |

### **COMPARISON OF F.Y. 2024 WITH F.Y. 2023:**

#### ***Revenue from Operations***

The Company's revenue from operations in the financial year 2023-24 is ₹ 2,339.78 lakhs. This represents ₹ 830.90 lakhs or 55.07% increase compared to the previous financial year's revenue from operations of ₹ 1,508.87 lakhs due to following reason:

- Total production capacity of our Company increased in FY 23-24 to 1,500 M.T from 950 M.T in FY 22-23 which is an increase of 58%. And actual production in FY 23-24 was 1,107.5 M.T. as compared to 730.84 M.T in FY 22-23 which as an increase of 52%. This is mainly due to increase in capacity in the FY 24.
- In FY 2023 company did a capex of establishing a cold storage which resulted in an increase in total number of production days due to increased availability of raw material. This has resulted in increased revenue.
- We have also supplied new product washed carrot in the market for Rs 609.51 lacs in FY 23-24 which leads to increase in revenue.

#### ***Rationale for increase in Profit after Tax (PAT) compared to Revenue from Operation***

The increase in Profit after Tax (PAT) compared to Revenue from operation is mainly on account of:

- The Company have been procuring the raw material in bulk in it's specific season at a very cheap price and store in our cold storage warehouse which was operational in FY 23-24.
- In the FY 23, the Company's primary reliance was on two institutional buyers, namely ITC and Silva International (their combined sales accounted for approximately 92% of total sales in FY 23). Subsequently, the company changed its policy and began supplying to a wider range of traders and manufacturers, leading to a significant increase in the number of clients from 10 to 82.
- The variable cost has decreased due to reasons like having own cold warehouse (as earlier we used to store the raw material at third party warehouse) which has decreased the other costs like cold storage warehouse cost, Freight inward expense and logistic costs:

| Particulars            | Mar-23        |                    | Mar-24        |                    | Decrease in Expenses |
|------------------------|---------------|--------------------|---------------|--------------------|----------------------|
|                        | Amt (In lacs) | % of total expense | Amt (In lacs) | % of total expense |                      |
| Cold Storage Expense   | 26.39         | 1.81%              | 3.22          | 0.17%              | 1.64%                |
| Logistic Cost          | 151.17        | 10.37%             | 65.81         | 3.42%              | 6.95%                |
| Freight Inward Expense | 26.60         | 1.82%              | 0.37          | 0.02%              | 1.81%                |

### **COMPARISON OF F.Y. 2023 WITH F.Y. 2022:**

#### ***Rationale for decrease in Profit after Tax (PAT) compared to Revenue from Operation***

The decrease in Profit after Tax (PAT) compared to Revenue from operation is mainly on account of:

- Higher raw material prices as compared to last financial year
- Higher sales to Institutional customers. Company earned 79.40% of Revenue from operations from Institutional customers. Profit margins are lesser in sales to Institutional customers as compared to other sales.

**GOVERNMENT AND OTHER STATUTORY APPROVALS**

**VI. Business and Project Related Approvals**

| <b>Sr. No.</b> | <b>Type of License/Approval</b> | <b>Issuing Authority</b>                                  | <b>Reference / Registration / License No.</b>                                                                    | <b>Date of Issue/Renewal</b> | <b>Valid up to</b>   |
|----------------|---------------------------------|-----------------------------------------------------------|------------------------------------------------------------------------------------------------------------------|------------------------------|----------------------|
| 3              | Licence to work a factory       | Jt. Chief<br>Inspector of<br>Factories,<br>Madhya Pradesh | <b>Factory Id:</b><br>FAC1611950<br><br><b>Licence No:</b><br>03/15809/DHR/2m(i)<br><br><b>Nic Number:</b> 10309 | November 18,<br>2024         | December 31,<br>2025 |

### **DECLARATION**

I, Raghav Somani, hereby confirm that all statements and undertakings specifically made or confirmed by me in this Addendum to the Draft Red Herring Prospectus in relation to myself, as a Selling Shareholder and my respective portion of the Offered Shares, are true and correct. I assume no responsibility for any other statements, disclosures and undertakings including statements made by or relating to the Company or any other person(s) in this Addendum to the Draft Red Herring Prospectus.

#### **SIGNED BY THE SELLING SHAREHOLDER**

Sd/-

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**Raghav Somani**

**Place:** Madhya Pradesh, India

**Date:** April 23, 2025

### **DECLARATION**

I, Priya Somani, hereby confirm that all statements and undertakings specifically made or confirmed by me in this Addendum to the Draft Red Herring Prospectus in relation to myself, as a Selling Shareholder and my respective portion of the Offered Shares, are true and correct. I assume no responsibility for any other statements, disclosures and undertakings including statements made by or relating to the Company or any other person(s) in this Addendum to the Draft Red Herring Prospectus.

### **SIGNED BY THE SELLING SHAREHOLDER**

Sd/-

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**Priya Somani**

**Place:** Madhya Pradesh, India

**Date:** April 23, 2025



## **DECLARATION**

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations and guidelines issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Addendum to the Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, SCRA, SCRR and the SEBI Act, each as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Addendum to the Draft Red Herring Prospectus are true and correct.

### **SIGNED BY THE DIRECTOR OF OUR COMPANY**

Sd/-

---

**Raghav Somani**

Chairman and Managing Director

**Place:** Madhya Pradesh, India

**Date:** April 23, 2025

## **DECLARATION**

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations and guidelines issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Addendum to the Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, SCRA, SCRR and the SEBI Act, each as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Addendum to the Draft Red Herring Prospectus are true and correct.

### **SIGNED BY THE DIRECTOR OF OUR COMPANY**

Sd/-

---

**Priya Somani**

Whole-time Director

**Place:** Madhya Pradesh, India

**Date:** April 23, 2025

## **DECLARATION**

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations and guidelines issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Addendum to the Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, SCRA, SCRR and the SEBI Act, each as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Addendum to the Draft Red Herring Prospectus are true and correct.

**SIGNED BY THE DIRECTOR OF OUR COMPANY**

Sd/-

\_\_\_\_\_  
**Kartavya Kumar Chitlangya**

Non-Executive Director

**Place:** Madhya Pradesh, India

**Date:** April 23, 2025

## **DECLARATION**

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations and guidelines issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Addendum to the Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, SCRA, SCRR and the SEBI Act, each as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Addendum to the Draft Red Herring Prospectus are true and correct.

**SIGNED BY THE DIRECTOR OF OUR COMPANY**

Sd/-

---

**Ravikant Gupta**

Independent Director

**Place:** Madhya Pradesh, India

**Date:** April 23, 2025

## **DECLARATION**

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations and guidelines issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Addendum to the Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, SCRA, SCRR and the SEBI Act, each as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Addendum to the Draft Red Herring Prospectus are true and correct.

**SIGNED BY THE DIRECTOR OF OUR COMPANY**

Sd/-

---

**Shweta Bhamare**  
Independent Director

**Place:** Madhya Pradesh, India

**Date:** April 23, 2025

### **DECLARATION**

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations and guidelines issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Addendum to the Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, SCRA, SCRR and the SEBI Act, each as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Addendum to the Draft Red Herring Prospectus are true and correct.

**SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY**

Sd/-

---

**Pankaj Neema**  
Chief Financial Officer

**Place:** Madhya Pradesh, India

**Date:** April 23, 2025