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DRAFT RED HERRING PROSPECTUS

Dated: October 15, 2024

(Please read section 26 and 32 of the Companies Act, 2013)

(This Draft Red Herring Prospectus will be updated upon filing with the RoC)

100% Book Built Offer



SAWALIYA FOOD PRODUCTS LIMITED

Corporate Identification Number: U15400MP2014PLC032843

| REGISTERED OFFICE | TELEPHONE, EMAIL AND FACSIMILE | CONTACT PERSON | WEBSITE |
|--|--|--|--|
| Survey No. 9/2/1/2 Gavla, Tehsil Pithampur, Dhar - 454 775, Madhya Pradesh, India. | Tel: +91 877 032 6514 Email: info@sawaliyafood.com Facsimile: N.A. | Namita Singh Rathour, Company Secretary and Compliance Officer | www.sawaliyafood.com |

PROMOTERS OF OUR COMPANY: RAGHAV SOMANI AND PRIYA SOMANI

DETAILS OF THE OFFER

| TYPE | FRESH ISSUE SIZE | OFS SIZE (BY NO. OF SHARES OR BY AMOUNT IN ₹) | TOTAL OFFER SIZE | ELIGIBILITY |
|--------------------------------|---|--|---|--|
| Fresh Issue and Offer for Sale | Upto 26,03,000 Equity Shares of face value of ₹ 10 each aggregating Up to ₹ [●] lakhs | Upto 3,00,000 Equity Shares of face value of ₹ 10 each aggregating Up to ₹ [●] lakhs | Upto 29,03,000 Equity Shares of face value of ₹ 10 each aggregating Up to ₹ [●] lakhs | This Offer is being made in terms of Regulation 229(1) of Chapter IX of the SEBI (ICDR) Regulations, 2018 as amended. For details, see “Other Regulatory and Statutory Disclosures – Eligibility for the Offer” on page 243. For further details in relation to share allocation and reservation among QIBs, NIIs and RIBs, see “Offer Structure” on page 260. |

DETAILS OF OFFER FOR SALE, SELLING SHAREHOLDERS AND THEIR WEIGHTED AVERAGE COST OF ACQUISITION (“WACA”)

| NAME | TYPE | NUMBER OF EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH OFFERED / AMOUNT IN ₹ | WACA IN ₹ PER EQUITY SHARE* |
|---------------|------------------------------|--|-----------------------------|
| Raghav Somani | Promoter Selling Shareholder | Up to 1,50,000 Equity Shares of face value of ₹ 10 each aggregating to ₹ [●] lakhs | 0.85 |
| Priya Somani | Promoter Selling Shareholder | Up to 1,50,000 Equity Shares of face value of ₹ 10 each aggregating to ₹ [●] lakhs | 0.27 |

*As certified by the Statutory Auditor pursuant to a certificate dated October 9, 2024.

RISK IN RELATION TO THE FIRST OFFER

This being the first public Offer of the Equity Shares of our Company, there has been no formal market for the Equity Shares. The face value of each Equity Share is ₹ 10/-. The Floor Price, Cap Price and Offer Price as determined by our Company in consultation with the Book Running Lead Manager, on the basis of the assessment of market demand for the Equity Shares by way of the Book Building process, as stated under “Basis for Offer Price” on page 106 should not be considered to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after Listing.

GENERAL RISK

Investments in Equity and Equity-related securities involve a degree of risk and investors should not invest any funds in this Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer including the risks involved. The Equity Shares offered in the Offer have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”), nor does SEBI guarantee the accuracy or adequacy of the Draft Red Herring Prospectus. Specific attention of the investors is invited of the section titled “Risk Factors” beginning on page 28 of this Draft Red Herring Prospectus.

ISSUER & PROMOTER SELLING SHAREHOLDERS ABSOLUTE RESPONSIBILITY


Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect. Further, each of the Selling Shareholders, severally and not jointly, accepts responsibility for only such statements specifically confirmed or specifically undertaken by such Promoter Selling Shareholders in this Draft Red Herring Prospectus to the extent such statements specifically pertain to itself and/or its Offered Shares and confirms that such statements are true and correct in all material respects and are not misleading

in any material respect. However, none of the Selling Shareholders assume any responsibility for any other statements, disclosures or undertakings, including without limitation, any and all of the statements, disclosures or undertakings made by or in relation to our Company, its business, or any other Selling Shareholder, in this Draft Red Herring Prospectus.


LISTING

The Equity Shares offered through this Draft Red Herring Prospectus are proposed to be listed on the Emerge Platform of National Stock Exchange of India Limited (“NSE”) in terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018 as amended from time to time. Our Company has received an ‘in-principle’ approval letter dated [●] from NSE for using its name in this offer document for listing our shares on the Emerge Platform of National Stock Exchange of India Limited. For the purpose of this Offer, the Designated Stock Exchange will be NSE.

BOOK RUNNING LEAD MANAGER

| NAME AND LOGO | CONTACT PERSON | TELEPHONE & EMAIL |
|---|----------------|---|
|  <p>UNISTONE Unistone Capital Private Limited</p> | Brijesh Parekh | Telephone: +91 224 604 6494 E-mail: mb@unistonecapital.com |

REGISTRAR TO THE OFFER

| NAME AND LOGO | CONTACT PERSON | TELEPHONE & EMAIL |
|--|----------------|--|
|  <p>Skyline Financial Services Pvt. Ltd.</p> | Anuj Rana | Telephone: +91 011 2681 2683 E-mail: ipo@skylinerta.com |

BID/ OFFER PERIOD

| | | |
|--|--------------------------------|------------------------------------|
| ANCHOR PORTION BIDDING DATE: [●]* | BID/OFFER OPENS ON: [●] | BID/OFFER CLOSES ON: [●]**^ |
|--|--------------------------------|------------------------------------|

*The Company 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/Issue Period for QIBs one Working Day prior to the Bid/Issue 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.



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

PROMOTERS OF OUR COMPANY: RAGHAV SOMANI AND PRIYA SOMANI

DETAILS OF THE OFFER

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 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 HERINAFTER 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").

In case of any revision in the Price Band, the Bid/Offer Period shall be extended for at least three additional Working Days after such revision of the Price Band, subject to the total Bid/Offer Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company may, for reasons to be recorded in writing extend the Bid/Offer Period for a minimum of one Working Day, subject to the Bid/Offer Period not exceeding 10 Working Days. Any revision in the Price Band, and the revised Bid/Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges by issuing a press release and also by indicating the change on the website of the BRLM and at the terminals of the Members of the Syndicate and by intimation to Designated Intermediaries and Sponsor Bank as applicable.

This Offer is being made through the Book Building Process, in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended ("SCRR") read with Regulation 229 (1) of the SEBI ICDR Regulations and in compliance with Regulation 253 of the SEBI ICDR Regulations, wherein not more than 50% of the Net Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("QIBs") (the "QIB Portion"), provided that our Company may, in consultation with the Book Running Lead Manager, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations ("Anchor Investor Portion"), of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Further, 5.00% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5.00% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to QIBs. Further, not less than 15% of the Net Offer shall be available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35% of the Net Offer shall be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price. All Bidders are required to participate in the Offer by mandatorily utilizing the Application Supported by Blocked Amount ("ASBA") process by providing details of their respective ASBA Account (as defined hereinafter) in which the corresponding Bid Amounts will be blocked by the Self Certified Syndicate Banks ("SCSBs") or under the UPI Mechanism, as the case may be, to the extent of respective Bid Amounts. Anchor Investors are not permitted to participate in the Offer through the ASBA process. For details, see "Offer Procedure" on page 264 of this Draft Red Herring Prospectus.

All potential investors shall participate in the Offer through an Application Supported by Blocked Amount ("ASBA") process including through UPI mode (as applicable) by providing details about the bank account which will be blocked by the Self Certified Syndicate Banks ("SCSBs") for the same. For details in this regard, specific attention is invited to "Offer Procedure" on page 264 of this Draft Red Herring Prospectus. A copy of Red Herring Prospectus will be delivered to the Registrar of Companies for filing in accordance with Section 32 of the Companies Act, 2013.

RISK IN RELATION TO THE FIRST OFFER

This being the Offer of the Issuer, there has been no formal market for the securities of the Issuer. The face value of the equity shares is ₹ 10/-. The Offer price/floor price/price band should not be taken to be indicative of the market price of the specified securities after the specified securities are listed. No assurance can be given regarding an active or sustained trading in the equity shares of the Issuer nor regarding the price at which the equity shares will be traded after listing.

GENERAL RISK

Investments in Equity and Equity-related securities involve a degree of risk and investors should not invest any funds in this Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer including the risks involved. The Equity Shares offered in the Offer have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the Draft Red Herring Prospectus. Specific attention of the investors is invited of the section titled "Risk Factors" beginning on page 28 of this this Draft Red Herring Prospectus.

ISSUER'S & PROMOTER SELLING SHAREHOLDERS ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect. Further, each of the Selling Shareholders, severally and not jointly, accepts responsibility for only such statements specifically confirmed or specifically undertaken by such Selling Shareholder in this Draft Red Herring Prospectus to the extent such statements specifically pertain to itself and/or its Offered Shares and confirms that such statements are true and correct in all material respects and are not misleading in any material respect. However, none of the Selling Shareholders assume any responsibility for any other statements, disclosures or undertakings, including without limitation, any and all of the statements, disclosures or undertakings made by or in relation to our Company, its business, or any other Selling Shareholder, in this Draft Red Herring Prospectus.

LISTING

The Equity Shares offered through this Draft Red Herring Prospectus are proposed to be listed on the Emerge Platform of National Stock Exchange of India Limited ("NSE") in terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018 as amended from time to time. Our Company has received an 'in-principle' approval letter dated [●] from NSE for using its name in this offer document for listing our shares on NSE. For the purpose of this Offer, the Designated Stock Exchange will be NSE.

BOOK RUNNING LEAD MANAGER



UNISTONE CAPITAL PRIVATE LIMITED
 A/ 305, Dynasty Business Park, Andheri-Kurla Road,
 Andheri East, Mumbai - 400 059, Maharashtra, India.
Telephone: +91 224 604 6494
Facsimile: N.A.
Email: mb@unistonecapital.com
Investor grievance email: compliance@unistonecapital.com
Website: www.unistonecapital.com
Contact Person: Brijesh Parekh
SEBI registration number: INM000012449
CIN: U65999MH2019PTC330850

REGISTRAR TO THE OFFER



SKYLINE FINANCIAL SERVICES PRIVATE LIMITED
 D-153 A, 1st Floor, Okhla Industrial Area,
 Phase-I, New Delhi - 110 020, Delhi, India.
Telephone: +91 011 2681 2683
Facsimile: N.A.
E-mail/ Investor grievance email: ipo@skylinerta.com
Website: www.skylinerta.com
Contact Person: Anuj Rana
SEBI Registration No.: INR000003241
CIN: U74899DL1995PTC071324

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/Issue Period for QIBs one Working Day prior to the Bid/Issue 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 I – GENERAL

DEFINITIONS AND ABBREVIATIONS

This Draft Red Herring Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the same meaning as provided below. References to any legislation, act, regulation, rule, guideline or policy shall be to such legislation, act, regulation, rule, guideline or policy, as amended, supplemented or re-enacted from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.

The words and expressions used in this Draft Red Herring Prospectus but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, the SEBI ICDR Regulations, the SCRA, the Depositories Act or the rules and regulations made there under.

GENERAL AND COMPANY RELATED TERMS

| Term | Description |
|--|---|
| “Company”, “our Company”, “the Company”, “the Issuer”, or “Sawaliya” | Sawaliya Food Products Limited, a company incorporated under the Companies Act, 2013, having its Registered Office at Survey No. 9/2/1/2 Gavla, Tehsil Pithampur, Dhar - 454 775, Madhya Pradesh, India. |
| Our Promoter(s) | Promoters of our Company, namely Raghav Somani and Priya Somani. For further details, please see the section entitled “ <i>Our Promoters and Promoter Group</i> ” on page 177 of this Draft Red Herring Prospectus. |
| Promoters Group | Companies, individuals and entities (other than companies) as defined under Regulation 2(1)(pp) of the SEBI (ICDR) Regulations, 2018 which is provided in the chapter titled “ <i>Our Promoters and Promoter’s Group</i> ”. |

COMPANY RELATED TERMS

| Term | Description |
|---|---|
| Articles / Articles of Association/AOA | Articles of Association of our Company. |
| Audit Committee | The Audit Committee of the Board of Directors constituted in accordance with Section 177 of the Companies Act, 2013. For details refer section titled “ <i>Our Management</i> ” on page 164 of this Draft Red Herring Prospectus. |
| Auditor / Statutory Auditor | Statutory auditor of our Company, namely, M/s. Maheshwari and Gupta. |
| Bankers to the Company | Banker to our Company, namely, State Bank of India. |
| Board of Directors / Board/BOD | The Board of Directors of the Company unless otherwise specified. |
| Companies Act | The Companies Act, 1956/2013 as amended from time to time. |
| CIN | Corporate Identification Number of our Company i.e. U15400MP2014PLC032843. |
| Chairman | Chairman of our Board of Directors and of the Company, Raghav Somani. |
| Chief Financial Officer (CFO) | The Chief Financial officer of our Company, being Pankaj Neema. |
| Company Secretary and Compliance Officer (CS) | The Company Secretary and Compliance Officer of our Company, being Namita Singh Rathour. |
| Depositories Act | The Depositories Act, 1996, as amended from time to time. |
| DIN | Director Identification Number. |
| Equity Shares | Equity Shares of our Company of Face Value of ₹ 10/- each unless otherwise specified in the context thereof. |
| Equity Shareholders | Persons/ Entities holding Equity Shares of Our Company. |
| ED | Executive Director |
| Group Companies | Companies with which there have been related party transactions, during the last three financial years, as covered under the applicable accounting standards and other companies as considered material by the Board in accordance with the Materiality Policy. |
| Independent Director | A non-executive & Independent Director as per the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. |
| Indian GAAP | Generally Accepted Accounting Principles in India. |
| ISIN | INE10VS01016. |
| “KMP” or “Key Managerial Personnel” | Key managerial personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI ICDR Regulations and Section 2(51) of the Companies Act, 2013, and as disclosed in “ <i>Our Management - Key Managerial Personnel</i> ” on page 174. |
| Key Performance Indicators/ | Key financial and operational performance indicators of our Company, as included in |

| Term | Description |
|--|--|
| KPIs | “Basis for the Offer Price”, “Our Business – Key Performance Indicators” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations – Key Performance Indicators” on pages 106, 132 and 218, respectively. |
| Materiality Policy | The policy on identification of group companies, material creditors and material litigation, adopted by our Board on September 2, 2024 in accordance with the requirements of the SEBI ICDR Regulations. |
| MD/ Managing Director(s)/ Chairman and Managing Director/ CMD | The Managing Director of our Company, namely, Raghav Somani. |
| MOA/ Memorandum / Memorandum of Association | Memorandum of Association of our Company as amended from time to time. |
| Non-Residents | A person resident outside India, as defined under FEMA. |
| Nomination and Remuneration Committee | The Nomination and Remuneration Committee of our Board of Directors constituted in accordance with Companies Act, 2013. For details refer section titled “Our Management” on page 164 of this Draft Red Herring Prospectus. |
| Non-Executive Director | A Director not being an Executive Director or an Independent Director. |
| NRIs / Non Resident Indians | A person resident outside India, as defined under FEMA and who is a citizen of India or a Person of Indian Origin under Foreign Outside India Regulations, 2000. |
| Registered Office | The registered office of our Company situated at Survey No. 9/2/1/2 Gavla, Tehsil Pithampur, Dhar - 454 775, Madhya Pradesh, India. |
| Restated Financial Information/ Restated Financial Statements/ | The Restated Financial Information of our Company, which comprises the Restated Statement of Assets and Liabilities of the Company as at June 30, 2024, March 31, 2024, March 31, 2023 and March 31, 2022, the Restated Statement of Profit and Loss (including other comprehensive income), the Restated Statement of Cash Flows for the three month period ended June 30, 2024 and for the years ended March 31, 2024, March 31, 2023 and March 31, 2022 and summary statement of Significant Accounting Policies and other explanatory information prepared in accordance with the requirements of Section 26(1) of Part I of Chapter III of the Companies Act, 2013, the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, as amended from time to time. |
| ROC / Registrar of Companies | Registrar of Companies, Madhya Pradesh at Gwalior, having its office at 3 rd Floor, ‘A’ Block, Sanjay Complex, Jayendra Ganj, Gwalior - 474 009, Madya Pradesh, India. |
| Senior Management | Senior management of our Company determined in accordance with Regulation 2(1)(bbbb) of the SEBI ICDR Regulations. For details, see “Our Management” on page 164 of this Draft Red Herring Prospectus. |
| Shareholders | Shareholders of our Company, from time to time. |
| Stakeholders Relationship Committee | The Stakeholders Relationship Committee of our Board of Directors constituted in accordance with Section 178 of the Companies Act, 2013. For details refer section titled “Our Management” on page 164 of this Draft Red Herring Prospectus. |
| Whole-time Director | Priya Somani, the Whole-time Director of our Company. |

OFFER RELATED TERMS

| Terms | Description |
|----------------------------------|---|
| Abridged Prospectus | Abridged Prospectus means a memorandum containing such salient features of a Prospectus as may be specified by SEBI in this behalf. |
| Acknowledgement Slip | The slip or document issued by the Designated Intermediary to an Applicant as proof of registration of the Application. |
| Allotment | Offer of the Equity Shares pursuant to the Offer to the successful applicants. |
| Allotment Advice | Note or advice or intimation of Allotment sent to the Bidders who have been allotted Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchanges. |
| Allotment/Allot/Allotted | Unless the context otherwise requires, allotment of Equity Shares offered pursuant to the Fresh Issue pursuant to successful Bidders. |
| Allottee (s) | The successful applicant to whom the Equity Shares are being / have been offered. |
| Anchor Investor | A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations and the Red Herring Prospectus and who has Bid for an amount of at least ₹ 200 lakhs. |
| Anchor Investor Allocation Price | ₹ [●]/- per equity share i.e. the price at which Equity Shares will be allocated to the Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which was decided by our Company in consultation with the Book Running Lead Manager |

| Terms | Description |
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| | during the Anchor Investor Bid/ Offer Period. |
| Anchor Investor Application Form | The application form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which was considered as an application for Allotment in terms of the Red Herring Prospectus and the Prospectus. |
| Anchor Investor Bid/ Offer Period | [●], being one working day prior to the Bid/ Offer Opening Date, on which Bids by Anchor Investors was submitted and allocation to the Anchor Investors was completed. |
| Anchor Investor Offer Price | ₹ [●]/- per equity share being the final price at which the Equity Shares will be Allotted to the Anchor Investors in terms of the Red Herring Prospectus and the Prospectus. |
| Anchor Investor Portion | Up to 60% of the QIB Portion consisting of [●] Equity Shares of face value of ₹ 10 each which were allocated by our Company, in consultation with the Book Running Lead Manager, to the Anchor Investors on a discretionary basis in accordance with the SEBI (ICDR) Regulations. |
| Application Supported by Blocked Amount / ASBA | An application, whether physical or electronic, used by applicants to make an application authorizing a SCSB to block the application amount in the ASBA Account maintained with the SCSB. |
| Application Form | The Form in terms of which the applicant shall apply for the Equity Shares of our Company. |
| ASBA Account | An account maintained with the SCSB and specified in the application form submitted by ASBA applicant for blocking the amount mentioned in the application form. |
| ASBA Bid | A Bid made by ASBA Bidder. |
| Bankers to the Offer | Banker to the Offer, Public Offer Bank, Refund Bank and Sponsor Bank, being [●] |
| Basis of Allotment | The basis on which equity shares will be allotted to successful applicants under the Offer and which is described in paragraph titled “ <i>Basis of allotment</i> ” under chapter titled “ <i>Offer Procedure</i> ” starting from page 264 of this Draft Red Herring Prospectus. |
| Bid | An indication to make an Offer during the Bid/Offer Period by an ASBA Bidder pursuant to submission of the ASBA Form to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations and in terms of the Red Herring Prospectus and the relevant Bid cum Application Form. The term “Bidding” shall be construed accordingly. |
| Bid Amount | The amount at which the bidder makes a bid for the Equity Shares of our Company in terms of Draft Red Herring Prospectus. |
| Bid cum Application Form | The form in terms of which the bidder shall make a bid, including ASBA Form, and which shall be considered as the bid for the Allotment pursuant to the terms of this Draft Red Herring Prospectus. |
| Bid Lot | [●] Equity Shares of face value of ₹ 10 each and in multiples of [●] Equity Shares of face value of ₹ 10 each thereafter. |
| Bid/ Offer Period | <p>The period between the Bid/ Offer Opening Date and the Bid/ Offer Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids, including any revisions thereof in accordance with the SEBI ICDR Regulations and the terms of the Red Herring Prospectus. Provided, however, that the Bidding shall be kept open for a minimum of three Working Days for all categories of Bidders.</p> <p>Our Company in consultation with the Book Running Lead Manager may consider closing the Bid/Offer Period for the QIB Portion One Working Day prior to the Bid/Offer Closing Date which shall also be notified in an advertisement in same newspapers in which the Bid/Offer Opening Date was published, in accordance with the SEBI ICDR Regulations.</p> <p>In cases of force majeure, banking strike or similar circumstances, our Company in consultation with the BRLM, for reasons to be recorded in writing, extend the Bid / Offer Period for a minimum of one Working Day, subject to the Bid/ Offer Period not exceeding 10 Working Days.</p> |
| Bid/Offer Closing Date | Except in relation to Anchor Investors, the date after which the Designated Intermediaries will not accept any Bids, being [●], which shall be published 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). |

| Terms | Description |
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| | Our Company in consultation with the BRLM, may, 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. In case of any revision, the extended Bid/ Offer Closing Date shall be widely disseminated by notification to the Stock Exchanges, and also be notified on the websites of the BRLM and at the terminals of the Syndicate Members, if any and communicated to the Designated Intermediaries and the Sponsor Bank, which shall also be notified in an advertisement in same newspapers in which the Bid/ Offer Opening Date was published, as required under the SEBI ICDR Regulations. |
| Bid/Offer Opening Date | Except in relation to Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids, being [●], which shall be published 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). |
| Bidder/ Investor | Any prospective investor who makes a bid for Equity Shares in terms of Red Herring Prospectus. |
| Bidding Centers | Centers at which the Designated Intermediaries shall accept the Bid cum Application Forms i.e. Designated SCSB Branch for SCSBs, Specified Locations for members of the Syndicate, Broker Centers for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs. |
| Bidding Centers | Centers at which the Designated Intermediaries shall accept the Application Forms i.e. Designated SCSB Branch for SCSBs, Specified Locations for members of the Syndicate, Broker Centers for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs. |
| Book Building Process | Book building process, as provided in Part A of Schedule XIII of the SEBI ICDR Regulations, in terms of which the Offer is being made. |
| BRLM / Book Running Lead Manager | Book Running Lead Manager to the Offer, in this case being Unistone Capital Private Limited. |
| Broker Centers | Broker centers notified by the Stock Exchanges where investors can submit the Application Forms to a Registered Broker. The details of such Broker Centers, along with the names and contact details of the Registered Brokers are available on the websites of the Stock Exchange. |
| Cap Price | The higher end of the Price Band, subject to any revisions thereto, above which the Offer Price will not be finalized and above which no Bids will be accepted. |
| Cut-Off Price | The Offer Price, which shall be any price within the Price band as finalized by our Company in consultation with the BRLM. Only Retail Individual Bidders are entitled to Bid at the Cut off Price. QIBs (including Anchor Investor) and Non-Institutional Investors are not entitled to Bid at the Cut-off Price. |
| Client Id | Client Identification Number maintained with one of the Depositories in relation to demat account. |
| Collecting Depository Participants or CDPs | A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure bids at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI. |
| Controlling Branches of the SCSBs | Such branches of the SCSBs which coordinate with the BRLM, the Registrar to the Offer and the Stock Exchange. |
| Demographic Details | The demographic details of the Applicants such as their Address, PAN, name of the applicant father/husband, investor status, and occupation and Bank Account details. |
| Depository | A depository registered with SEBI under the SEBI (Depositories and Participants) Regulations, 2018. |
| Depository Participant | A Depository Participant as defined under the Depositories Act, 1996. |
| Designated Intermediaries/ Collecting Agent | The members of the Syndicate, sub-syndicate/agents, SCSBs, Registered Brokers, CDPs and RTAs, who are categorized to collect Application Forms from the Applicant, in relation to the Offer. |
| Designated CDP Locations | Such locations of the CDPs where bidder can submit the Bid cum Application Forms to Collecting Depository Participants. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Bid cum Application Forms are available on the website of the Stock Exchange i.e. www.nseindia.com |

| Terms | Description |
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| Designated Date | The date on which amounts blocked by the SCSBs are transferred from the ASBA Accounts, as the case may be, to the Public Offer Account or the Refund Account, as appropriate, in terms of the Draft Red Herring Prospectus, after finalization of the Basis of Allotment in consultation with the Designated Stock Exchange, following which the Board of Directors may Allot Equity Shares to successful Bidders in the Offer. |
| Designated RTA Locations | Such locations of the RTAs where bidder can submit the Bid cum Application Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept Bid cum Application Forms are available on the website of the Stock Exchange i.e. www.nseindia.com |
| Designated SCSB Branches | Such branches of the SCSBs which shall collect the ASBA Bid cum Application Form from the ASBA bidder and a list of which is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/ Recognized-Intermediaries or at such other website as may be prescribed by SEBI from time to time. |
| Designated Stock Exchange | Emerge Platform of National Stock Exchange of India Limited (“NSE Emerge”) . |
| DP ID | Depository Participant’s Identity Number. |
| Draft Red Herring Prospectus | Draft Red Herring Prospectus dated October 15, 2024, filed with NSE Emerge in accordance with Section 32 of the Companies Act, 2013 and SEBI (ICDR) Regulations. |
| Electronic Transfer of Funds | Refunds through ECS, NEFT, Direct Credit or RTGS as applicable. |
| Eligible NRI | NRI from jurisdictions outside India where it is not unlawful to make an issue or invitation under the Offer and in relation to whom the Draft Red Herring Prospectus constitutes an invitation to subscribe to the Equity Shares Allotted herein. |
| Eligible QFIs | QFIs from such jurisdictions outside India where it is not unlawful to make an Offer or invitation under the Offer and in relation to whom the Prospectus constitutes an invitation to purchase the Equity Shares Offered thereby and who have opened demat accounts with SEBI registered qualified depository participants. |
| Emerge Platform of National Stock Exchange of India Limited | The Emerge platform of National Stock Exchange of India Limited, approved by SEBI as an SME Exchange for listing of equity shares issued under Chapter IX of the SEBI ICDR Regulations. |
| Escrow Account | The account(s) to be opened with the Escrow Collection Bank and in whose favour the Anchor Investors will transfer money through NACH/direct credit/ NEFT/ RTGS in respect of the Bid Amount when submitting a Bid. |
| First/ Sole bidder | The bidder whose name appears first in the Bid cum Application Form or Revision Form. |
| Floor Price | The lower end of the Price Band, subject to any revision(s) thereto, not being less than the face value of Equity Shares, at or above which the Offer Price will be finalized and below which no Bids will be accepted. |
| Foreign Venture Capital Investors | Foreign Venture Capital Investors registered with SEBI under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000. |
| FPI / Foreign Portfolio Investor | A Foreign Portfolio Investor who has been registered under Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, provided that any FII or QFI who holds a valid certificate of registration shall be deemed to be a foreign portfolio investor till the expiry of the block of three years for which fees have been paid as per the SEBI (Foreign Institutional Investors) Regulations, 1995, as amended. |
| Fresh Issue / Issue | The Fresh Issue of up to 26,03,000 Equity Shares of face value of ₹ 10 each aggregating up to ₹ [●] Lakhs. |
| Fugitive Economic Offender | An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018. |
| General Information Document (GID) | The General Information Document for investing in public issues, prepared and issued in accordance with the SEBI circular (SEBI/HO/CFD/DIL1/CIR/P/2020/37) dated March 17, 2020 and the UPI Circulars. The General Information Document shall be available on the websites of the Stock Exchange, and the Book Running Lead Manager. |
| GIR Number | General Index Registry Number. |
| Listing Agreement | The Equity Listing Agreement to be signed between our Company and the NSE. |
| Market Maker | The Market Maker to the Offer, in this case being [●]. |
| Market Maker Reservation Portion | The reserved portion of [●] Equity Shares of face value of ₹ 10 each of ₹ 10 each at an Offer price of ₹ [●] each aggregating to ₹ [●] Lakhs to be subscribed by Market Maker in this Offer. |
| Market Making Agreement | The Market Making Agreement dated [●] between our Company, the Selling |

| Terms | Description |
|---|---|
| | Shareholders, Book Running Lead Manager and Market Maker. |
| Mutual Funds | A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time. |
| Mutual Fund Portion | 5% of the Net QIB Portion, (other than anchor allocation), which shall be available for allocation to Mutual Funds only on a proportionate basis, subject to valid Bids being received at or above the Offer Price. |
| Net Offer | The Offer excluding the Market Maker Reservation Portion of [●] Equity Shares of face value of ₹ 10 each fully paid for cash at a price of ₹ [●] Equity Share aggregating ₹ [●] Lakhs by our Company. |
| Net QIB Portion | The portion of the QIB Portion less the number of Equity Shares Allocated to the Anchor Investors. |
| Net Proceeds | The Gross Proceeds less our Company's share of the Offer-related expenses applicable to the Fresh Issue. For details about use of the Net Proceeds and the Offer related expenses, see " <i>Objects of the Offer</i> " on page 92. |
| Non-Institutional Applicant / Investors | All Applicants, including FPIs which are individuals, corporate bodies and family offices, that are not QIBs or RIIs and who have Application for Equity Shares for an amount of more than ₹2.00 Lakhs (but not including NRIs other than Eligible NRIs). |
| Non-Institutional Portion | The portion of the Offer being not less than 15% of the Net Offer consisting of [●] Equity Shares which shall be available for allocation on a proportionate basis to Non-Institutional Bidders, subject to valid Bids being received at or above the Offer Price or through such other method of allocation as may be introduced under applicable law. |
| NPCI | NPCI, a Reserve Bank of India (RBI) initiative, is an umbrella organization for all retail payments in India. It has been set up with the guidance and support of the Reserve Bank of India (RBI) and Indian Banks Association (IBA). |
| Offer Agreement | Agreement dated October 11, 2024 entered amongst our Company, the Selling Shareholders and the Book Running Lead Manager, pursuant to which certain arrangements have been agreed to in relation to the Offer. |
| Offer Closing | Our Offer shall close on [●]. |
| Offer Document | Includes this Draft Red Herring Prospectus, the Red Herring Prospectus and Prospectus to be filed with Registrar of Companies. |
| Offer for Sale | Sale Upto 3,00,000 Equity Shares of face value of ₹ 10/- each, by the Selling Shareholders for cash at a price of ₹ [●] per Equity Share (including a premium of ₹ [●] per Equity Share) aggregating ₹ [●] Lakhs. |
| Offer Opening | Our Offer shall open on [●]. |
| Offer Period | The periods between the Offer Opening Date and the Offer Closing Date inclusive of both days and during which prospective Applicants may submit their Bidding application. |
| Offer Price | The price at which the Equity Shares are being issued by our Company through this Draft Red Herring Prospectus, being ₹ [●] /- (including share premium of ₹ [●] /- per Equity Share). |
| Offer Proceeds | Proceeds to be raised by our Company through this Fresh Issue, for further details please refer chapter titled " <i>Objects of the Offer</i> " page 92 of this Draft Red Herring Prospectus. |
| Offer/ Offer Size/ Initial Public Offer/ Initial Public Offering/ IPO | The Initial Public Offer of 29,03,000 Equity shares of ₹ 10/- each at an Offer Price of ₹ [●] /- per Equity share, including a premium of ₹ [●] /- per equity share aggregating to ₹ [●] lakhs comprising a Fresh Issue of 26,03,000 Equity Shares of face value of ₹ 10 each and the Offer for Sale of Upto 3,00,000 Equity Shares of face value of ₹ 10 each by Selling Shareholders. |
| Offered Shares | Offer of up to 3,00,000 Equity Shares of face value of ₹ 10 each aggregating to Rs. [●] lakhs being offered for sale by the Selling Shareholders in the Offer. |
| Person/Persons | Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires. |
| Price Band | Price Band of a minimum price (Floor Price) of ₹ [●] and the maximum price (Cap Price) of ₹ [●]. The Price Band will be decided by our Company in consultation with the BRLM and 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 |

| Terms | Description |
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| | regional language of Madhya Pradesh where our Registered Office is located), at least two working days prior to the Bid / Offer Opening Date. |
| Pricing Date | The date on which our Company in consultation with the BRLM, will finalize the Offer Price. |
| Prospectus | The Prospectus to be filed with the RoC in accordance with the Companies Act, 2013, and the SEBI ICDR Regulations containing, inter alia, the Offer Price that is determined at the end of the Book Building Process, the size of the Offer and certain other information, including any addenda or corrigenda thereto. |
| Public Offer Account Agreement/Banker to the Offer Agreement/Cash Escrow and Sponsor Bank Agreement | Agreement to be entered into by our Company, the Selling Shareholders, the Registrar to the Offer, the Book Running Lead Manager, and the Public Offer Bank/Banker to the Offer for collection of the Application Amounts. |
| Public Offer Account | Account to be opened with the Banker to the Offer to receive monies from the SCSBs from the bank account of the ASBA bidder, on the Designated Date. |
| Public Offer Account Bank | The bank with whom the Public Offer Account shall be opened for collection of Bid Amounts from the Escrow Account and ASBA Accounts on the Designated Date, in this case being [●]. |
| Qualified Institutional Buyers / QIBs | The qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations. |
| QIB Category/ QIB Portion | The portion of the Net Offer (including the Anchor Investor Portion) being not more than [●]% of the Net Offer, consisting of [●] Equity Shares of face value of ₹ 10 each which were made available for allocation to QIBs (including Anchor Investors) on a proportionate basis, (in which allocation to Anchor Investor were made available on a discretionary basis, as determined by our Company in consultation with the BRLM), subject to valid Bids being received at or above the Offer Price. |
| Red Herring Prospectus / RHP | The Red Herring Prospectus to be issued in accordance with Section 32 of the Companies Act, 2013 and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity Shares will be Offered and the size of the Offer, including any addenda or corrigenda thereto. |
| Refund Bank(s) /Refund Banker(s) | Bank(s) which is / are clearing member(s) and registered with the SEBI as Bankers to the Offer at which the Refund Accounts will be opened in case listing of the Equity Shares does not occur, in this case being [●]. |
| Refund Account | The 'no-lien' and 'non-interest bearing' account opened with the Refund Bank, from which refunds, if any, of the whole or part, of the Bid Amount to the Anchor Investors shall be made. |
| Registered Broker | Individuals or companies registered with SEBI as "Trading Members" (except Syndicate/ Sub-Syndicate Members) who hold valid membership of either NSE or National Stock Exchange of India Limited having right to trade in stocks listed on Stock Exchanges, through which investors can buy or sell securities listed on stock exchanges, a list of which is available on https://www.nseindia.com/ |
| Registrar / Registrar to the Offer/ RTA | Registrar to the Offer being Skyline Financial Services Private Limited. |
| Registrar Agreement | The registrar agreement dated October 11, 2024 entered into between our Company, the Selling Shareholders and the Registrar to the Offer in relation to the responsibilities and obligations of the Registrar to the Offer pertaining to the Offer. |
| Regulations | Unless the context specifies something else, this means the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018. |
| Retail Individual Investors /(RII) | Individual investors (including HUFs applying through their Karta and Eligible NRI Bidders) who applies or bids for the Equity Shares of a value of not more than ₹ 2,00,000. |
| Retail Portions | Portion of the Offer being not less than 35% of the Net Offer consisting of [●] Equity Shares of face value of ₹ 10 each which shall be available for allocation to RIBs (subject to valid Bids being received at or above the Offer Price), which shall not be less than the minimum Bid Lot subject to availability in the Retail Portion, and the remaining Equity Shares to be Allotted on a proportionate basis. |
| Revision Form | The form used by the bidders to modify the quantity of Equity Shares or the bid Amount in any of their Bid cum Application Forms or any previous Revision Form(s). |
| SCSB | A Self Certified Syndicate Bank registered with SEBI under the SEBI (Bankers to an Issue) Regulations, 1994 and Issues the facility of ASBA, including blocking of bank account. A list of all SCSBs is available at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 |

| Terms | Description |
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| SEBI Master Circular | Master circular dated June 21, 2023 issued by the Securities and Exchange Board of India in order to enable the stakeholders to have access to all circulars/directions issued under the relevant provisions of the SEBI ICDR Regulations, 2018 at one place. |
| Sponsor Bank | The Banker to the Offer registered with SEBI and appointed by our Company to act as a conduit between the Stock Exchanges and the NPCI in order to push the mandate collect requests and / or payment instructions of the Retail Individual Bidders into the UPI and carry out other responsibilities, in terms of the UPI Circulars. |
| Selling Shareholders or Promoter Selling Shareholders | Raghav Somani and Priya Somani, are the Selling Shareholders of our Company. |
| Share Escrow Agent | The share escrow agent appointed pursuant to the Share Escrow Agreement, namely [●]. |
| Share Escrow Agreement | The agreement dated [●], entered into between our Company, the Selling Shareholders and the Share Escrow Agent in connection with the transfer of the Offered Shares by the Selling Shareholders and credit of such Equity Shares to the demat account of the Allottees in accordance with the Basis of Allotment. |
| Sub Syndicate Member | The sub-syndicate members, if any, appointed by the BRLM and the Syndicate Members, to collect ASBA Forms and Revision Forms. |
| Syndicate Agreement | The agreement dated [●] entered into amongst our Company, the Selling Shareholders, the BRLM and the Syndicate Members, in relation to the collection of Bids in this Offer. |
| Syndicate Member(s) | Syndicate member(s) as defined under Regulation 2(1) (hhh) of the SEBI ICDR Regulations, namely [●]. |
| Transaction Registration Slip/ TRS | The slip or document issued by a member of the Syndicate or an SCSB (only on demand), as the case may be, to the bidders, as proof of registration of the bid. |
| Underwriter | [●] |
| Underwriting Agreement | The Agreement dated [●] entered into between the Underwriter, our Company and the Selling Shareholders. |
| UPI | Unified payment Interface, which is an instant payment mechanism, developed by NPCI. |
| UPI Circular | Circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 issued by SEBI as amended or modified by SEBI from time to time, including circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, the circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, the circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, the circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, SEBI master circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023, SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, and any other circulars issued by SEBI or any other governmental authority in relation thereto from time to time. |
| UPI ID | ID created on UPI for single-window mobile payment system developed by the NPCI. |
| UPI Mandate Request | A request (intimating the Retail Individual Bidder by way of a notification on the Mobile App and by way of a SMS directing the Retail Individual Bidder to such Mobile App) to the Retail Individual Bidder initiated by the Sponsor Bank to authorize blocking of funds on the Mobile App equivalent to Bid Amount and Subsequent debit of funds in case of Allotment. |
| UPI Mechanism | The bidding mechanism that may be used by a RII to make a Bid in the Offer in accordance with the UPI Circulars. |
| UPI PIN | Password to authenticate UPI transactions. |
| Wilful Defaulter and Fraudulent Borrower | A wilful defaulter(s) and fraudulent borrower(s) as defined under SEBI ICDR Regulations. |

| Terms | Description |
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| Working Days | In terms of Regulation 2(1)(mmm) of SEBI ICDR Regulations, working day means all days on which commercial banks in Mumbai are open for business. Further, in respect of Offer Period, working day means all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business. Furthermore, the time period between the Offer Closing Date and the listing of Equity Shares on NSE, working day means all trading days of NSE, excluding Sundays and bank holidays, as per circulars issued by SEBI. |

CONVENTIONAL AND GENERAL TERMS / ABBREVIATIONS

| Term | Description |
|---|---|
| “₹” or “Rs.” or “Rupees” or “INR” | Indian Rupee |
| “Consolidated FDI Policy” or “FDI Policy” | Consolidated Foreign Direct Investment Policy notified by DPIIT through notification issued by DPIIT, effective from October 15, 2020. |
| “Financial Year” or “Fiscal Year” or “FY” | Period of 12 months ending March 31 of that particular year. |
| “OCBs” or “Overseas Corporate Body” | A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA. |
| A/c | Account |
| AGM | Annual General Meeting |
| AIF | Alternative Investment Fund, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012. |
| AS | Accounting Standards issued by the Institute of Chartered Accountants of India |
| CAGR | Compounded Annual Growth Rate |
| CAN | Confirmation Allocation Note |
| Category I AIF | AIFs who are registered as “Category I Alternative Investment Funds” under the SEBI AIF Regulations |
| Category I FPIs | FPIs who are registered as “Category I foreign portfolio investors” under the SEBI FPI Regulations. |
| Category II AIF | AIFs who are registered as “Category II Alternative Investment Funds” under the SEBI AIF Regulations. |
| Category II FPIs | FPIs who are registered as “Category II foreign portfolio investors” under the SEBI FPI Regulations. |
| Category III AIF | AIFs who are registered as “Category III Alternative Investment Funds” under the SEBI AIF Regulations. |
| CBDT | Central Board of Direct Taxes, Government of India. |
| CDSL | Central Depository Services (India) Limited |
| Central Government | Central Government of India |
| CFO | Chief Financial Officer |
| CIN | Corporate Identification Number |
| CIT | Commissioner of Income Tax |
| CLRA | Contract Labour (Regulation and Abolition) Act, 1970 |
| Companies Act 1956 | Erstwhile Companies Act, 1956 along with the relevant rules made thereunder. |
| Companies Act, 2013 / Companies Act | Companies Act, 2013 along with rules made thereunder |
| CS | Company Secretary |
| CSR | Corporate Social Responsibility |
| Depositories Act | The Depositories Act, 1996 |
| Depository(ies) | A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996. |
| DIN | Director Identification Number |
| DP ID | Depository Participant’s Identification Number |
| EBITDA | Earnings before Interest, Tax, Depreciation and Amortisation |
| ECB | External Commercial Borrowings |
| ECB Master Directions | Master Direction – External Commercial Borrowings, Trade Credits and Structured Obligations dated March 26, 2019 issued by the RBI. |
| ECS | Electronic Clearing System |
| EGM | Extraordinary General Meeting |

| Term | Description |
|-----------------------------|---|
| EPF Act | Employees' Provident Fund and Miscellaneous Provisions Act, 1952 |
| EPS | Earnings per share |
| ESI Act | Employees' State Insurance Act, 1948 |
| FCNR Account | Foreign Currency Non Resident (Bank) account established in accordance with the FEMA |
| FEMA | The Foreign Exchange Management Act, 1999 read with rules and regulations thereunder |
| FEMA Regulations | The Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017 |
| FEMA Rules | Foreign Exchange Management (Non-debt Instruments) Rules, 2019 |
| Financial Year/Fiscal | The period of 12 months commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year |
| FIR | First information report |
| FPIs | Foreign portfolio investors as defined and registered under the SEBI FPI Regulations |
| Fugitive Economic Offender | An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018 |
| FVCI | Foreign Venture Capital Investors as defined and registered under the SEBI FVCI Regulations |
| GDP | Gross Domestic Product |
| GoI / Government | The Government of India |
| GST | Goods and Services Tax |
| HUF(s) | Hindu Undivided Family(ies) |
| ICAI | Institute of Chartered Accountants of India |
| ICSI | The Institute of Company Secretaries of India |
| IFRS | International Financial Reporting Standards |
| IFSC | Indian Financial System Code |
| Income Tax Act / IT Act | Income Tax Act, 1961 |
| Ind AS | The Indian Accounting Standards referred to in the Companies (Indian Accounting Standard) Rules, 2015, as amended |
| Indian GAAP | Generally Accepted Accounting Principles in India |
| Insider Trading Regulations | Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time. |
| Insolvency Code | Insolvency and Bankruptcy Code, 2016, as amended from time to time. |
| ISIN | International Securities Identification Number |
| IT | Information Technology |
| MCA | The Ministry of Corporate Affairs, GoI |
| Merchant Banker | Merchant banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992 as amended |
| Mn / mn | Million |
| MOF | Ministry of Finance, Government of India |
| MOU | Memorandum of Understanding |
| MSME | Micro, Small, and Medium Enterprises |
| Mutual Funds | Mutual funds registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 |
| N.A. or NA | Not Applicable |
| NACH | National Automated Clearing House |
| NAV | Net Asset Value per Equity Share at a particular date computed based on total equity divided by number of Equity Shares |
| Net Worth | Net worth as defined under Regulation 2(1)(hh) of the SEBI ICDR Regulations, i.e., the aggregate value of the paid-up share capital and all reserves created out of the profits, securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off as per the restated balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation. |
| NR | Non-resident or person(s) resident outside India, as defined under the FE |
| NRE | Non- residential external |
| NRE Account | Non- residential external account |
| NRI | A person resident outside India, who is a citizen of India and shall have the same meaning as ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2016. |

| Term | Description |
|---------------------------|--|
| NRO | Non- resident ordinary |
| NRO Account | Non-resident ordinary account |
| NSE | National Stock Exchange of India Limited |
| NSDL | National Securities Depository Limited |
| NTA | Net Tangible Assets |
| OCI | Overseas Citizen of India |
| ODI | Off-shore Derivate Instruments |
| p.a. | Per annum |
| P/E Ratio | Price/Earnings Ratio |
| PAN | Permanent Account Number |
| PAT | Profit After Tax |
| PBT | Profit Before Tax |
| PIO | Person of Indian Origin |
| PLR | Prime Lending Rate |
| R&D | Research and Development |
| RBI | The Reserve Bank of India |
| RBI Act | Reserve Bank of India Act, 1934 |
| RoNW | Return on Net Worth |
| RTGS | Real Time Gross Settlement |
| SARFAESI Act | The Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002. |
| SAT | Securities Appellate Tribunal |
| SCRA | Securities Contract (Regulation) Act, 1956 |
| SCRR | The Securities Contracts (Regulation) Rules, 1957 |
| SEBI | The Securities and Exchange Board of India constituted under the SEBI Act, as amended |
| SEBI Act | The Securities and Exchange Board of India Act, 1992, as amended |
| SEBI AIF Regulations | Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012, as amended |
| SEBI BTI Regulations | Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 |
| SEBI FPI Regulations | The Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019. |
| SEBI FVCI Regulations | Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000. |
| SEBI ICDR Regulations | The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended. |
| SEBI Listing Regulations | Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. |
| SEBI Takeover Regulations | The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended. |
| SEBI VCF Regulations | Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, since repealed and replaced by the SEBI (AIF) Regulations. |
| SICA | Sick Industrial Companies (Special Provisions) Act, 1985, as amended from time to time |
| SME | Small and Medium Enterprises |
| Stamp Act | The Indian Stamp Act, 1899, as amended from time to time |
| State Government | The Government of a state in India |
| Stock Exchange | Unless the context requires otherwise, refers to, the National Stock Exchange of India Limited. |
| TDS | Tax Deducted at Source |
| Trademarks Act | Trademarks Act, 1999, as amended |
| U.S. GAAP | Generally Accepted Accounting Principles in the United States of America |
| US\$/ USD/ US Dollar | United States Dollar, the official currency of the United States of America |
| USA/ U.S./ US | United States of America, its territories and possessions, any state of the United States of America and the District of Columbia. |
| VAT | Value Added Tax |
| VCFs | Venture Capital Funds as defined in and registered with SEBI under the SEBI VCF Regulations or the SEBI AIF Regulations, as the case may be. |
| w.e.f. | With effect from |
| Year/Calendar Year | Unless context otherwise requires, shall refer to the twelve-month period ending December 31. |

INDUSTRY RELATED TERMS

| Term | Description |
|-------------|--|
| APEDA | Agricultural & Processed Food Products Export Development Authority |
| CA | Controlled Atmosphere |
| CAD | current account deficit |
| Covid-19 | Coronavirus Disease |
| DFP | Designated Food Parks |
| DPIIT | Department for Promotion of Industry, and Internal Trade |
| ETP | Effluent Treatment Plan |
| FDI | Foreign Direct Investment |
| FPOs | Farmer Producers Organizations |
| FRE | First Revised Estimates |
| FY | Financial Year |
| GDP | Gross Domestic Product |
| GOI | Government of India |
| GVA | gross value added |
| HFI | High-Frequency Indicators |
| ILO | International Labour Organization |
| IMF | International Monetary Fund |
| IQF | Individual Quick Freezing |
| LLPD | Lakh Litres Per Day |
| MA | Modified Atmosphere |
| MFP | Mega Food Park |
| MoFPI | Ministry of Food Processing Industries |
| MT | Metric tonne |
| NABARD | National Bank for Agriculture and Rural Development |
| ODOP | One District One Product |
| PLISFPI | Production-Linked Incentive Scheme for Food Processing Industry |
| PLISMBP | PLI Scheme for Millet-based Products |
| PMFME | Prime Minister Formalization of Micro Food Processing Enterprises Scheme |
| PMKSY | Pradhan Mantri Kisan Sampada Yojana |
| PSL | Priority Sector Lending |
| RTE/RTC | Ready-to-Eat/ Ready-to-Cook |
| SHGs | Self Help Groups |
| TOP | Tomato, Onion, and Potato |
| UK | United Kingdom |
| UNGA | The United Nation's General Assembly |
| U.S. | United States |
| US\$ | United States Dollar |

Notwithstanding the foregoing, terms in “*Description of Equity Shares and Terms of Articles of Association*”, “*Statement of Possible Special Tax Benefits*”, “*Industry Overview*”, “*Key Industrial Regulations and Policies*”, “*Financial Information*”, “*Outstanding Litigation and Material Developments*” and “*Offer Procedure*” on pages 296, 113, 117, 151, 183, 234 and 264, respectively of this Draft Red Herring Prospectus, will have the meaning ascribed to such terms in these respective sections.

CERTAIN CONVENTIONS, USE OF FINANCIAL INFORMATION AND MARKET DATA AND CURRENCY OF PRESENTATION

Certain Conventions

All references to “India” contained in this Draft Red Herring Prospectus are to the Republic of India and its territories and possessions and all references herein to the “Government”, “Indian Government”, “GoI”, “Central Government” or the “State Government” are to the Government of India, central or state, as applicable.

Unless otherwise specified, any time mentioned in this Draft Red Herring Prospectus is in Indian Standard Time (“IST”). Unless indicated otherwise, all references to a year in this Draft Red Herring Prospectus are to a calendar year.

Unless stated otherwise, all references to page numbers in this Draft Red Herring Prospectus are to the page numbers of this Draft Red Herring Prospectus.

Financial Data

Unless stated otherwise or the context otherwise requires, the financial information and financial ratios in this Draft Red Herring Prospectus has been derived from our Restated Financial Information. For further information, please see the section titled “*Financial Information*” on page 183 of this Draft Red Herring Prospectus.

Our Company’s financial year commences on April 1 and ends on March 31 of the next year. Accordingly, all references to a particular financial year, unless stated otherwise, are to the twelve (12) month period ended on March 31 of that year.

The Restated Financial Information of our Company, which comprises the Restated Statement of Assets and Liabilities of the Company as at June 30, 2024, March 31, 2024, March 31, 2023 and March 31, 2022, the Restated Statement of Profit and Loss (including other comprehensive income), the Restated Statement of Cash Flows for the three month period ended June 30, 2024 and for the years ended March 31, 2024, March 31, 2023 and March 31, 2022 and summary statement of Significant Accounting Policies and other explanatory information prepared in accordance with the requirements of Section 26(1) of Part I of Chapter III of the Companies Act, 2013, the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, as amended from time to time. There are significant differences between Ind AS, Indian GAAP, U.S. GAAP and IFRS. Our Company does not provide reconciliation of its financial information to IFRS or U.S. GAAP. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Draft Red Herring Prospectus and it is urged that you consult your own advisors regarding such differences and their impact on our financial data. Accordingly, the degree to which the financial information included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting policies and practices, the Companies Act, the Indian GAAP and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting policies and practices on the financial disclosures presented in this Draft Red Herring Prospectus should, accordingly, be limited.

Unless the context otherwise indicates, any percentage amounts, as set forth in “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Position and Results of Operations*” on page 28, 130 and 218 respectively, of this Draft Red Herring Prospectus, and elsewhere in this Draft Red Herring Prospectus have been calculated on the basis of the Restated Financial Statements of our Company, prepared in accordance with GAAP, and the Companies Act and restated in accordance with the SEBI ICDR Regulations.

In this Draft Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All figures in decimals have been rounded off to the second decimal and all the percentage figures have been rounded off to two decimal places including percentage figures in “*Risk Factors*”, “*Industry Overview*” and “*Our Business*” on page 28, 117 and 130 respectively, this Draft Red Herring Prospectus.

Currency and Units of Presentation

All references to:

- “Rupees” or “₹” or “INR” or “Rs.” are to Indian Rupee, the official currency of the Republic of India; and
- “USD” or “US\$” or “\$” are to United States Dollar, the official currency of the United States of America.

Our Company has presented all numerical information in is Draft Red Herring Prospectus in “lacs” units or in whole numbers where the numbers have been too small to represent in lacs. One lac represents 1,00,000 and one million represents 10,00,000.

Exchange rates

This Draft Red Herring Prospectus contains conversions of certain other currency amounts into Indian Rupees that have been presented solely to comply with the SEBI ICDR Regulations. These conversions should not be construed as a

representation that these currency amounts could have been, or can be converted into Indian Rupees, at any particular rate or at all.

The following table sets forth, for the periods indicated, information with respect to the exchange rate between the Indian Rupee and other foreign currencies:

| Currency | Exchange rate as on (in ₹) | | | |
|----------|----------------------------|-----------------------------|----------------|----------------|
| | June 30, 2024 [^] | March 31, 2024 [*] | March 31, 2023 | March 31, 2022 |
| 1 USD | 83.45 | 83.37 | 82.22 | 75.91 |

[^]Since, June 30, 2024 was a public holiday, the exchange rate as of June 29, 2024 has been considered.

^{*}Since, March 31, 2024 was a public holiday, the exchange rate as of April 1, 2024 has been considered.

(Source: www.rbi.org.in and www.fbil.org.in)

Industry and Market Data

Unless stated otherwise, the industry and market data and forecasts used throughout this Draft Red Herring Prospectus has been obtained from industry sources as well as Government Publications. Industry sources as well as Government Publications generally state that the information contained in those publications has been obtained from sources believed to be reliable. The extent to which the market and industry data used in this Draft Red Herring Prospectus is meaningful depends on the reader’s familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which the business of our Company is conducted, and methodologies and assumptions may vary widely among different industry sources. Accordingly, investment decisions should not be based solely on such information.

In accordance with the SEBI ICDR Regulations, “Basis for Offer Price” on page 106 of this Draft Red Herring Prospectus includes information relating to our peer group entities. Such information has been derived from publicly available sources, and neither we, nor the BRLM have independently verified such information. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in “Risk Factors” on page 28 of this Draft Red Herring Prospectus.

FORWARD - LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain “forward-looking statements”. These forward-looking statements generally can be identified by words or phrases such as “aim”, “anticipate”, “believe”, “expect”, “estimate”, “intend”, “objective”, “plan”, “propose”, “project”, “will”, “will continue”, “will pursue” or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. All forward-looking statements are subject to risks, uncertainties, expectations and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. These forward-looking statements, whether made by us or a third party, are based on our current plans, estimates and expectations and actual results may differ materially from those suggested by such forward-looking statements.

Actual results may differ materially from those suggested by forward-looking statements due to risks or uncertainties associated with expectations relating to and including, regulatory changes pertaining to the industries in India in which we operate and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India which have an impact on its business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes and changes in competition in the industries in which we operate.

Certain important factors that could cause actual results to differ materially from our Company’s expectations include, but are not limited to, the following:

- We depend on one of our key customers for a significant portion of our revenue, and any decrease in revenues or sales from such customer may adversely affect our business and results of operations.
- We derive a significant portion of our revenue from certain of our products. If sales volume or price of such products declines in the future, or if we are unable to sell such products for any reason, our business, financial condition, cash flows and results of operations could be adversely affected. Our commercial success is largely dependent upon our ability to strategically diversify our product portfolio. Presently, we deal in a limited number of products and therefore, our ability to diversify and successfully market our products might be limited, which may have an adverse impact on our revenue and profitability.
- We derive a significant portion of our revenues from repeat orders which we identify as orders placed by key customers that have placed orders with our Company previously. Any loss of, or a significant reduction in the repeat orders received by us could adversely affect our business, results of operations, financial condition and cash flows.
- Our business is subject to seasonal variations that could result in fluctuations in our results of operations. Further, fresh vegetables being the principal raw material used for manufacturing of our products, our business depends on the availability of such vegetables and any shortage of vegetables may adversely affect our business and results of operations.
- The improper handling, processing or storage of raw materials or products, or spoilage of and damage to such raw materials and products, or any real or perceived contamination in our products, could subject us to regulatory and legal action, damage our reputation and have an adverse effect on our business, results of operations and financial condition.

For further discussion of factors that could cause the actual results to differ from our estimates and expectations, see “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Position and Results of Operations*” beginning on page 28, 130 and 218, respectively, of this Draft Red Herring Prospectus. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

We cannot assure investors that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements as a guarantee of future performance.

Forward-looking statements reflect current views as on the date of this Draft Red Herring Prospectus and are not a guarantee of future performance. These statements are based on our management’s beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Neither our Company, our Directors, the Promoters, the Syndicate nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

In accordance with the SEBI ICDR Regulations, our Company, the Promoters and the Book Running Lead Manager will ensure that the Bidders in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchange for the Offer.

Neither our Company, our Directors, our Promoters, the Selling Shareholders, the BRLM nor the Syndicate or any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with the SEBI ICDR Regulations, our Company will ensure that Bidders in India are informed of material developments pertaining to our Company from the date of the Draft Red Herring Prospectus in relation to the statements and undertakings made by our Company and the Selling Shareholders, in respect of the Offered Shares in this Draft Red Herring Prospectus until the time of the grant of listing and trading permission by the Stock Exchange for this Offer.

In this regard, the Selling Shareholder shall, severally and not jointly, ensure that our Company and BRLM are informed of material developments in relation to the statements and undertakings specifically confirmed or undertaken by the Selling Shareholders with respect to the Offered Shares in the Draft Red Herring Prospectus until the time of the grant of listing and trading permission by the Stock Exchange for this Offer.

SECTION II - OFFER DOCUMENT SUMMARY

The following is a general summary of the terms of the Offer. This summary should be read in conjunction with and is qualified in its entirety by, the more detailed information appearing elsewhere in this Draft Red Herring Prospectus, including the sections entitled “*Risk Factors*”, “*Industry Overview*”, “*Outstanding Litigation and Material Developments*”, “*Our Promoters and Promoter Group*”, “*Financial Information*”, “*Objects of the Offer*”, “*Our Business*”, “*Offer Procedure*” and “*Description of Equity Shares and Terms of Articles of Association*” beginning on page 28, 117, 234, 177, 183, 92, 130, 264 and 296, respectively of this Draft Red Herring Prospectus.

1. Summary of Industry in which the Company is operating

Food and grocery market in India is the sixth-largest in the world. Food processing industry contributes 32% to this food market and is also one of the largest industries in the country, contributing 13% to total export and 6% of industrial investment. The market size of food processing sector in India is estimated to reach US\$ 1,274 billion in 2027 from US\$ 866 billion in 2022. India’s agricultural and processed food exports gone up to more than US\$ 50 billion in 2022-23, accounting for 22.6% of the overall agri-food exports. The cold chain infrastructure created by 372 completed cold chain projects until October 2023, is as following: a) 10.3 lakh MT of Cold Storage, Controlled Atmosphere (CA)/Modified Atmosphere (MA) Storage and Deep Freezer; b) 335 MT per hour of Individual Quick Freezing (IQF); c) 175.8 Lakh Liters Per Day (LLPD) Milk Processing/Storage; and d) 1860 reefer vehicles. For further details, please refer to the chapter titled “*Industry Overview*” beginning on page 117 of this Draft Red Herring Prospectus.

2. Summary of Business

Founded in 2014, our Company is a manufacturer and processor of dehydrated vegetables, serving leading institutional manufacturers engaged in branded packaged food industries, traders and international importers of dehydrated products. As such, we are deeply connected with the branded packaged food industry and this accounted for 43.11% of our revenue in Financial Year 2024. Our products find wide application as raw materials in the fast moving consumer goods (“**FMCG**”) industry, for products such as cup noodles, ready to eat noodles, pasta, soup, *etc.* Our main products include dehydrated carrot, dehydrated cabbage and dehydrated ring beans / beans. Our Company has a diversified customer portfolio for its products. Our customer base is divided into three categories namely, institutional manufactures, Indian as well as foreign traders and international customers.

For further details, please refer to chapter titled “*Our Business*” beginning on page 130 of this Draft Red Herring Prospectus.

3. Promoters

The Promoters of our Company are Raghav Somani and Priya Somani. For further details, please refer to the chapter titled “*Our Promoters and Promoter Group*” beginning on page 177 of this Draft Red Herring Prospectus.

4. Details of the Offer

Our Company is proposing a public offer up to 29,03,000 Equity Shares of face value of ₹ 10 each of face value ₹ 10 each (“**Equity Shares**”) of our Company for cash at a price of ₹ [●]/- per equity share (including a securities premium of ₹ [●]- per Equity Share) (the “**Offer Price**”), aggregating upto ₹ [●] lacs (“**Offer**”), comprising a fresh issue of upto 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 an offer upto 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 Shareholders**” or “**Promoter Selling Shareholders**”) (“**Offer For Sale**”) aggregating to ₹ [●] lakhs, out of which [●] Equity Shares of face value of ₹ 10 each aggregating to ₹ [●] lakhs will be reserved for subscription by market maker (“**Market Maker Reservation Portion**”). The offer less the Market Maker Reservation Portion i.e. Offer up to [●] Equity Shares of face value of ₹ 10 each at an Offer Price of ₹ [●]/- per Equity Share aggregating to ₹ [●] lakhs is hereinafter referred to as the “**Net Offer**”. The Offer and the Net Offer will constitute [●]% and [●]%, respectively of the post Offer paid up equity share capital of the Company.

The price band will be decided by our Company in consultation with the Book Running Lead Manager (“**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), each with wide circulation, at least 2 (two) working days prior to the bid/ Offer opening date with the relevant financial ratios calculated at the floor price and the cap price and shall be made available to the Emerge platform of National Stock Exchange of India Limited (“**NSE Emerge**”, referred to as the “**Stock Exchange**”) for the purpose of uploading on their website for further details kindly refer to chapter titled “*Terms of the Offer*” beginning on page 253 of this Draft Red Herring Prospectus.

5. Details of the Selling Shareholders

The Selling Shareholders have consented to participate in the Offer for Sale in the following manner:

| Name of the Selling Shareholder | Type | Date of Authorization Letter | Equity Shares of face value of ₹ 10 each held as of date of the DRHP | Equity Shares of face value of ₹ 10 each offered by way of Offer for Sale | % of the pre-Offer paid-up Equity Share capital |
|---------------------------------|----------|------------------------------|--|---|---|
| Raghav Somani | Promoter | September 27, 2024 | 30,72,476 | Upto 1,50,000 | 42.00 |
| Priya Somani | Promoter | September 27, 2024 | 30,72,462 | Upto 1,50,000 | 42.00 |

6. Objects of the Offer

The details of the proceeds of the Offer are set out in the following table:

(₹ in lakhs)

| Particulars | Amount |
|----------------------------------|--------|
| Gross Proceeds of the Offer | [•] |
| Less: Offer related expenses | [•] |
| Net Proceeds of the Offer | [•] |

7. Utilization of Net Offer Proceeds

We propose to utilize the Net Proceeds in the following manner:

(₹ in lakhs)

| Sr. No. | Particulars | Estimated amount |
|---------|---|------------------|
| 1. | Funding capital expenditure requirements towards (i) purchase of new machinery and upgradation of existing machinery installed and (ii) setting up of on-grid rooftop solar PV system of a capacity of 149.04KWp at our existing manufacturing unit | Up to 699.75 |
| 2. | Funding of working capital requirements | Up to 1,000.00 |
| 3. | Repayment and/or pre-payment, in part or full, of certain borrowings availed by our Company | Up to 542.50 |
| 4. | General corporate purposes ⁽¹⁾⁽²⁾ | [•] |

⁽¹⁾To be finalized on determination of the Offer Price and updated in the Prospectus prior to filing with the ROC.

⁽²⁾The amount to be utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds of the Offer.

For further details, please see chapter titled “Objects of the Offer” beginning on page 92 of this Draft Red Herring Prospectus.

8. Aggregate Pre Offer Shareholding of Promoters (also the Promoter Selling Shareholders) and the members of our Promoter Group

Following are the details of the pre-Offer shareholding of our Promoters (also the Promoter Selling Shareholder) and Promoter Group:

| Sr. No. | Name of the Shareholders | Pre-Offer | | Post - Offer | |
|--|--------------------------|--|-------------------------------------|--|--------------------------------------|
| | | Number of Equity Shares of face value of ₹ 10 each | % of Pre-Offer Equity Share Capital | Number of Equity Shares of face value of ₹ 10 each | % of Post-Offer Equity Share Capital |
| Promoter (also the Promoter Selling Shareholders) | | | | | |
| 1. | Raghav Somani | 30,72,476 | 42.00 | [•] | [•] |
| 2. | Priya Somani | 30,72,462 | 42.00 | [•] | [•] |
| Total (A) | | 61,44,938 | 84.00 | [•] | [•] |
| Promoter Group | | | | | |
| 3. | Madhav Somani | 2,92,617 | 4.00 | [•] | [•] |
| 4. | Krishna Kant Somani | 2,92,617 | 4.00 | [•] | [•] |
| 5. | Hansa Somani | 2,92,617 | 4.00 | [•] | [•] |
| Total (B) | | 8,77,851 | 12.00 | [•] | [•] |
| Total (A +B) | | 70,22,789 | 96.00 | [•] | [•] |

For further details, please refer to the chapter titled “Capital Structure” beginning on page 81 of this Draft Red Herring Prospectus.

9. Summary of Financial Information

Following are the details as per the Restated Financial Information as at and for the three month period ended June 30, 2024 and for the years ended March 31, 2024, March 31, 2023 and March 31, 2022:

(₹ in lacs, except share data)

| S. No. | Particulars | June 30, 2024 | March 31, 2024 | March 31, 2023 | March 31, 2022 |
|--------|----------------------------------|---------------|----------------|----------------|----------------|
| 1. | Share Capital | 532.03 | 12.37 | 12.37 | 12.37 |
| 2. | Net Worth | 736.52 | 587.53 | 258.31 | 198.90 |
| 3. | Revenue from operations | 742.53 | 2,339.78 | 1,508.87 | 1,356.26 |
| 4. | Profit after Tax | 148.98 | 329.23 | 59.41 | 73.37 |
| 5. | Earnings per Share | 2.04 | 4.50 | 0.81 | 1.00 |
| 6. | Net Asset Value per equity share | 10.07 | 8.03 | 3.53 | 2.72 |
| 7. | Total borrowings | 2,069.39 | 1,293.02 | 1,335.71 | 703.74 |

*Not annualised

For further details, please refer to the section titled “Financial Information” beginning on page 183 of this Draft Red Herring Prospectus.

10. Auditor qualifications which have not been given effect to in the Restated Financial Information

The Restated Financial Information do not contain any qualifications by the Statutory Auditors.

11. Summary of Outstanding Litigation

A summary of the pending tax proceedings and other material litigations involving our Company, our Promoters and our Directors are provided below:

a) Litigations involving our Company

i) Cases filed against our Company:

| Nature of Litigation | Number of matters outstanding | Amount involved (₹ in lakhs) |
|---|-------------------------------|------------------------------|
| Criminal matters | Nil | Nil |
| Direct Tax matters | 5 | 1.35 |
| Indirect Tax matters | Nil | Nil |
| Actions taken by regulatory authorities | Nil | Nil |
| Material civil litigations | Nil | Nil |

ii) Cases filed by our Company:

| Nature of Litigation | Number of matters outstanding | Amount involved (₹ in lakhs) |
|----------------------------|-------------------------------|------------------------------|
| Criminal matters | Nil | Nil |
| Direct Tax matters | Nil | Nil |
| Indirect Tax matters | Nil | Nil |
| Material civil litigations | Nil | Nil |

b) Litigations involving our Directors

i) Cases filed against our Directors:

| Nature of Litigation | Number of matters outstanding | Amount involved (₹ in lakhs) |
|---|-------------------------------|------------------------------|
| Criminal matters | Nil | Nil |
| Direct Tax matters | Nil | Nil |
| Indirect Tax matters | Nil | Nil |
| Actions taken by regulatory authorities | Nil | Nil |
| Material civil litigations | Nil | Nil |

ii) Cases filed by our Directors:

| Nature of Litigation | Number of matters outstanding | Amount involved (₹ in lakhs) |
|----------------------------|-------------------------------|------------------------------|
| Criminal matters | Nil | Nil |
| Direct Tax matters | Nil | Nil |
| Indirect Tax matters | Nil | Nil |
| Material civil litigations | Nil | Nil |

c) Litigations involving our Promoters

i) Cases filed against our Promoters:

| Nature of Litigation | Number of matters outstanding | Amount involved (₹ in lakhs) |
|---|-------------------------------|------------------------------|
| Criminal matters | Nil | Nil |
| Direct Tax matters | Nil | Nil |
| Indirect Tax matters | Nil | Nil |
| Actions taken by regulatory authorities | Nil | Nil |
| Material civil litigations | Nil | Nil |

ii) Cases filed by our Promoters:

| Nature of Litigation | Number of matters outstanding | Amount involved (₹ in lakhs) |
|----------------------------|-------------------------------|------------------------------|
| Criminal matters | Nil | Nil |
| Direct Tax matters | Nil | Nil |
| Indirect Tax matters | Nil | Nil |
| Material civil litigations | Nil | Nil |

For further details, please refer to the chapter titled “*Outstanding Litigations and Material Developments*” beginning on page 234 of this Draft Red Herring Prospectus.

12. Risk Factors

Please refer to the section titled “*Risk Factors*” beginning on page 28 of this Draft Red Herring Prospectus.

13. Summary of Contingent Liabilities

As per the Restated Financial Information as at and for the three months period ended June 30, 2024 and for the Financial Years ended on March 31, 2024, 2023 and 2022, following is the detail of contingent liabilities of our Company:

(₹ in lacs)

| Particulars | As at 30 June 2024 | As at 31 March 2024 | As at 31 March 2023 | As at 31 March 2022 |
|-------------|--------------------|---------------------|---------------------|---------------------|
| TDS Demand | 1.35 | 1.35 | 1.20 | 1.18 |

For further details, kindly refer “*Restated Financial Information – Note 40 – Related party transactions*” from the chapter titled “*Restated Financial Information*” on page 183 of this Draft Red Herring Prospectus.

14. Summary of Related Party Transactions

As per the Restated Financial Information as at and for the three months period ended June 30, 2024 and for the Financial Years ended on March 31, 2024, 2023 and 2023, following are the details of the related party transactions of our Company:

(₹ in lacs)

| Sr. No. | Nature of Transaction | For the period ended 30 June 2024 | For the year ended 31 March 2024 | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|----------|------------------------|-----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| 1 | Remuneration | | | | |
| | Raghav Somani | 6.00 | 12.00 | 12.00 | 10.50 |
| | Madhav Somani | 6.00 | 12.00 | 12.00 | 10.50 |
| | Priya Somani | 3.00 | | | |
| 2 | Salary | | | | |
| | Hansa Somani | 3.00 | 6.00 | 6.00 | 6.00 |
| | Krishnakant Somani | 3.00 | 6.00 | 6.00 | 6.00 |
| | Priya Somani | - | 6.00 | 6.00 | 4.75 |
| | Vranda Baheti | 3.00 | - | - | - |
| 3 | Loans Taken | | | | |
| | Hansa Somani | 2.93 | 10.12 | 12.16 | 26.30 |
| | Krishnakant Somani | 27.93 | 42.86 | 24.94 | 13.92 |
| | Krishnakant Somani HUF | - | 0.42 | 0.31 | 12.29 |
| | Priya Somani | 2.93 | 7.32 | 5.93 | 2.76 |
| | Raghav Somani | 61.36 | 35.99 | 27.95 | 9.80 |
| | Madhav Somani | 59.72 | 9.85 | 6.23 | - |

| Sr. No. | Nature of Transaction | For the period ended 30 June 2024 | For the year ended 31 March 2024 | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|--|--------------------------|--------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| | Vranda Baheti | 2.93 | - | - | - |
| 4 | Loans Repaid | | | | |
| | Priya Somani | - | 0.53 | 2.75 | 4.00 |
| | Krishnakant Somani | - | 55.00 | 14.50 | 58.50 |
| | Krishnakant Somani HUF | - | - | - | 8.00 |
| | Hansa Somani | - | 2.75 | 3.50 | 45.00 |
| | Raghav Somani | - | 37.46 | 20.15 | 27.55 |
| | Madhav Somani | - | 1.56 | 4.70 | - |
| 5 | Interest paid | | | | |
| | Hansa Somani | - | 1.80 | 1.34 | 2.55 |
| | Krishnakant Somani | - | 2.63 | 2.21 | 4.36 |
| | Priya Somani | - | 1.03 | 0.53 | 0.74 |
| | Krishnakant Somani HUF | - | 0.46 | 0.34 | 0.32 |
| Balances Outstanding at the end of the Year | | | | | |
| 1 | Unsecured Loans | | | | |
| | Raghav Somani | 78.13 | 38.84 | 40.30 | 32.50 |
| | Madhav Somani | 65.54 | 9.82 | 1.53 | |
| | Hansha Somani | 28.18 | 25.25 | 17.88 | 9.22 |
| | Krishnakant S Somani HUF | 5.02 | 5.02 | 4.60 | 4.29 |
| | Krishnakant S Somani | 23.46 | 22.98 | 35.12 | 24.68 |
| | Priya Somani | 19.64 | 16.81 | 10.02 | 6.84 |
| | Vranda Baheti | 2.93 | | | |

For further details, kindly refer “Restated Financial Information –Note 25 - Related party disclosures” from the chapter titled “Restated Financial Information” on page 183 of this Draft Red Herring Prospectus.

15. Financials Arrangements

There are no financing arrangements whereby the Promoters, Selling Shareholders, members of the Promoter Group, the Directors of our Company and their relatives, have financed the purchase by any other person of securities of our Company other than in the normal course of the business of the financing entity during the period of six months immediately preceding the date of this Draft Red Herring Prospectus.

16. Weighted Average Price of the Equity Shares acquired by our Promoters (also the Promoter Selling Shareholders) in the last one year preceding the date of this Draft Red Herring Prospectus

The details of the weighted average price of the Equity Shares acquired by our Promoters (also the Promoter Selling Shareholders) in the last one year preceding the date of this Draft Red Herring Prospectus is as follows:

| Name of the Promoters/ Selling Shareholders | No. of shares acquired in last one year from the date of this Draft Red Herring Prospectus | Weighted Average Price (in ₹) |
|---|--|-------------------------------|
| <i>Promoters (also the Promoter Selling Shareholders)</i> | | |
| Raghav Somani | 30,45,962 | NIL |
| Priya Somani | 30,66,100 | NIL |

*As certified by the Statutory Auditors, by way of their certificate dated October 9, 2024.

17. Average Cost of Acquisition of Equity Shares for Promoters (also the Promoter Selling Shareholders)

The average cost of acquisition of Equity Shares for the Promoters (also the Promoter Selling Shareholders) is as follows:

| Name of the Promoters/ Selling Shareholders | No. of shares held | Average Cost of Acquisition (in ₹) |
|---|--------------------|------------------------------------|
| Raghav Somani | 30,72,476 | 0.85 |
| Priya Somani | 30,72,462 | 0.27 |

*As certified by the Statutory Auditors, by way of their certificate dated October 9, 2024.

18. Pre-IPO Placement

Our Company does not contemplate any issuance or placement of Equity Shares from the date of this Draft Red Herring Prospectus until the listing of the Equity Shares.

19. Issue of equity shares made in last one year for consideration other than cash

Except as stated below, our Company has not issued shares for consideration other than cash during last one year:

| Date of allotment | Number of Equity Shares of face value of ₹ 10 each allotted | Face Value | Issue Price | Nature of allotment | Benefit accrued to our Company | Source out of which bonus shares issued |
|--------------------|---|------------|-------------------------------|--|--------------------------------|--|
| May 23, 2024* | 51,96,576 | 10 | Consideration other than cash | Bonus Issue in the ratio of forty two (42) Bonus Equity Shares for every 1 Equity Share held on May 16, 2024, authorised by our Board, pursuant to a resolution passed at its meeting held on May 1, 2024, and by our Shareholders pursuant to a resolution passed at the EGM held on May 23, 2024. | Nil | Bonus issued out of security premium account and reserves and surplus account. |
| September 2, 2024* | 19,95,116 | 10 | Consideration other than cash | Bonus Issue in the ratio of three (3) Bonus Equity Shares for every 8 (eight) Equity Share held on August 30, 2024, authorised by our Board, pursuant to a resolution passed at its meeting held on August 22, 2024, and by our Shareholders pursuant to a resolution passed at the EGM held on August 23, 2024. | Nil | Bonus issued out of Company's free reserves. |

*For list of allottees see note (3) of paragraph titled "Share Capital History of our Company" in the chapter titled "Capital Structure" on page 81 of this Draft Red Herring Prospectus.

20. Split or consolidation of Equity Shares in the last one year

There has not been a split or consolidation of Equity Shares in the last one year.

21. Exemption from complying with any provisions of securities laws, if any, granted by SEBI

Our Company has not applied or received any exemptions from SEBI from complying with any provisions of securities laws.

SECTION III – RISK FACTORS

An investment in the Equity Shares involves a high degree of risk. You should carefully consider all the information in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in the Equity Shares. In making an investment decision, prospective investors must rely on their own examination of us and the terms of the Offer including the merits and risks involved. The risks described below are not the only ones relevant to us, our Equity Shares, the industry or the segment in which we operate. Additional risks and uncertainties, not presently known to us or that we currently deem immaterial may arise or may become material in the future and may also impair our business, results of operations and financial condition. If any of the following risks, or other risks that are not currently known or are now deemed immaterial, actually occur, our business, results of operations, cash flows and financial condition could be adversely affected, the trading price of our Equity Shares could decline, and as prospective investors, you may lose all or part of your investment. You should consult your tax, financial and legal advisors about particular consequences to you of an investment in this Offer. The financial and other related implications of the risk factors, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are certain risk factors where the financial impact is not quantifiable and, therefore, cannot be disclosed in such risk factors.

To obtain a complete understanding, you should read this section in conjunction with the sections “Industry Overview”, “Our Business” and “Management’s Discussion and Analysis of Financial Position and Results of Operations” on pages 117, 130 and 218 of this Draft Red Herring Prospectus, respectively. The industry-related information disclosed in this section that is not otherwise publicly available is derived from industry sources as well as Government Publications. Industry sources as well as Government Publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness and underlying assumptions are not guaranteed and their reliability cannot be assured.

This Draft Red Herring Prospectus also contains forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and, in the section titled “Forward-Looking Statements” on page 20 of this Draft Red Herring Prospectus.

Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any of the risks described in this section. Unless the context requires otherwise, the financial information of our Company has been derived from the Restated Financial Information.

Materiality:

The Risk Factors have been determined on the basis of their materiality. The following factors have been considered for determining the materiality of Risk Factors:

- *Some events may not be material individually but may be found material collectively;*
- *Some events may have material impact qualitatively instead of quantitatively; and*
- *Some events may not be material at present but may have a material impact in future.*

The financial and other related implications of risks concerned, whether quantifiable have been disclosed in the risk factors mentioned below. However, there are risk factors where the impact may not be quantifiable and hence, the same has not been disclosed in such risk factors. The numbering of the risk factors has been done to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk over another.

In this Draft Red Herring Prospectus, any discrepancies in any table between total and sums of the amount listed are due to rounding off.

In this section, unless the context requires otherwise, any reference to “we”, “us” or “our” refers to Sawaliya Food Products Limited

The risk factors are classified as under for the sake of better clarity and increased understanding.

INTERNAL RISK FACTORS

BUSINESS RELATED RISKS

- We depend on one of our key customers for a significant portion of our revenue, and any decrease in revenues or sales from such customer may adversely affect our business and results of operations. Further, we do not have firm commitment agreements with some of our customers. If our customers choose not to source their requirements from us, there may be a material adverse effect on our business, financial condition, cash flows and results of operations*

We are a manufacturer and processor of dehydrated vegetables, serving leading institutional manufacturers engaged in branded packaged food industries, traders and international importers of dehydrated products. We derive majority of our revenue from a leading FMCG manufacturer, headquartered in West Bengal, India. We have entered into formal agreements with such customer, which has a validity ranging from ten (10) months to twelve (12) months, which are extendable mutually based on the demand of products and status of execution of the order. While, we have executed formal agreements with the leading FMCG manufacturer, we cannot assure you that either of the parties will not terminate such agreement or breach any covenant of such agreements. Further, in the event such agreements are not renewed or if such agreements are renewed, the terms added therein are not favourable to our Company, our business and financial condition will be adversely affected.

The aforementioned customer accounts for a substantial portion of our sales, and consequently our revenue, and we expect that such customer will continue to represent a substantial portion of our revenue from sale of products in the foreseeable future. The revenue earned from the sale of our products, through our top ten customers during the three month period ended June 30, 2024 and the Fiscals 2024, 2023 and 2022 have been provided below:

| Particulars | Three month period ended June 30, 2024 | |
|--------------|--|--------------------|
| | Revenue incurred in (₹ in lakhs) | % of total revenue |
| Customer 1 | 253.90 | 34.19 |
| Customer 2 | 152.41 | 20.53 |
| Customer 3 | 82.84 | 11.16 |
| Customer 4 | 70.46 | 9.49 |
| Customer 5 | 69.26 | 9.33 |
| Customer 6 | 46.48 | 6.26 |
| Customer 7 | 23.99 | 3.23 |
| Customer 8 | 19.73 | 2.66 |
| Customer 9 | 10.44 | 1.41 |
| Customer 10 | 4.64 | 0.63 |
| Total | 734.15 | 98.87 |

| Particulars | Fiscal 2024 | |
|--------------|----------------------------------|--------------------|
| | Revenue incurred in (₹ in lakhs) | % of total revenue |
| Customer 1 | 507.42 | 21.44 |
| Customer 2 | 335.47 | 14.17 |
| Customer 3 | 229.72 | 9.70 |
| Customer 4 | 210.90 | 8.91 |
| Customer 5 | 124.69 | 5.27 |
| Customer 6 | 62.13 | 2.63 |
| Customer 7 | 41.21 | 1.74 |
| Customer 8 | 18.45 | 0.78 |
| Customer 9 | 11.87 | 0.50 |
| Customer 10 | 11.52 | 0.49 |
| Total | 1553.38 | 65.63 |

| Particulars | Fiscal 2023 | |
|-------------|----------------------------------|--------------------|
| | Revenue incurred in (₹ in lakhs) | % of total revenue |
| Customer 1 | 381.17 | 24.91 |
| Customer 2 | 333.08 | 21.77 |
| Customer 3 | 278.90 | 18.23 |
| Customer 4 | 202.46 | 13.23 |
| Customer 5 | 93.32 | 6.10 |

| Particulars | Fiscal 2023 | |
|--------------|----------------------------------|--------------------|
| | Revenue incurred in (₹ in lakhs) | % of total revenue |
| Customer 6 | 89.33 | 5.84 |
| Customer 7 | 22.28 | 1.46 |
| Customer 8 | 11.22 | 0.73 |
| Customer 9 | 8.84 | 0.58 |
| Customer 10 | 6.70 | 0.44 |
| Total | 1427.29 | 93.27 |

| Particulars | Fiscal 2022 | |
|--------------|----------------------------------|--------------------|
| | Revenue incurred in (₹ in lakhs) | % of total revenue |
| Customer 1 | 316.43 | 23.33 |
| Customer 2 | 265.20 | 19.55 |
| Customer 3 | 202.49 | 14.93 |
| Customer 4 | 185.06 | 13.64 |
| Customer 5 | 140.55 | 10.36 |
| Customer 6 | 70.30 | 5.18 |
| Customer 7 | 61.89 | 4.56 |
| Customer 8 | 43.43 | 3.20 |
| Customer 9 | 14.62 | 1.08 |
| Customer 10 | 8.45 | 0.62 |
| Total | 1308.41 | 96.47 |

The number of customers associated with us during the three month period ended June 30, 2024 and the Fiscals 2024, 2023 and 2022 have been provided below:

| Particulars | Three month period ended June 30, 2024 | Fiscal | | |
|---------------------|--|--------|------|------|
| | | 2024 | 2023 | 2022 |
| Number of Customers | 24 | 84 | 12 | 11 |

Given that we derive a significant portion of our revenue from one customer, we are exposed to additional risks including, but not limited to (i) stricter compliance requirements which may increase our compliance costs; (ii) terms and conditions of contracts, tend to be more onerous and are often more difficult to negotiate; and (iii) inability to diversify our risks relating to customer concentration or default or delay in payments by customers. While, we have sustained above-average profitability due to prudent inventory management, however our operations remains susceptible to cyclicality in the FMCG industry, which may result in an adverse impact on our business, results of operation and financial conditions.

We do not enter into formal agreements or arrangements with some of our customers and typically rely on blanket purchase orders issued by our customers from time to time that set out the price per unit of the products that are to be supplied to/ purchased by them from us. Pursuant to the purchase order, our customers provide us the product specification, quantities of units to be supplied along with the delivery schedules specifying the details of delivery. In the event our customers terminate their arrangements with us or commit defaults in payment of amounts owed to us, our business, results of operations and financial condition may be impacted. Due to the absence of long term agreements with some of our customers, the actual sales by our Company may differ from the estimates of our management. The loss of one or more of these significant or key customers or a reduction in the amount of business we obtain from them could have an adverse effect on our business, results of operations, financial condition and cash flows. While, the aforementioned events have not occurred in the past, however occurrence of any such events in the future may have an adverse impact on our business, results of operations and financial condition.

In the event, there takes place a shift of practice, wherein our customers start manufacturing raw materials such as dehydrated products in-house, to reduce their dependence on third party manufacturers, it may have an adverse impact on our business and results of operations. It may also happen that our competitors are able to improve the efficiency of their manufacturing process and thereby offer similar or high-quality products at competitive prices. While the aforementioned events have not materially occurred in the past, however upon occurrence of any such events, our Company may be unable to adequately react to such developments which may affect our revenues and profitability.

Our future success depends in part on our ability to reduce our dependence on our key customers by further diversifying our product portfolio and customer base. We propose to invest in capital expenditure from the Net Proceeds of the Offer, for adding additional machinery in our manufacturing unit, which would enable us to

manufacture products such as dehydrated onion flakes, etc. We also wish to increase our manufacturing capacity by increasing our manufacturing capacity by adding additional machinery in both of our production lines to cater to large quantities of orders from a number of customers. Any failure to successfully manufacture and market our products could adversely affect our business, financial condition, cash flows and results of operations. Our business, growth prospects and financial performance largely depends on our ability to attract new clients, retain our existing clients and effectively implement our diversification and expansion strategies. We cannot assure you that we will be able to achieve the same in a timely and effective manner, on the occurrence of such an event, our business, results of operations and financial condition will be materially and adversely affected.

2. *We derive a significant portion of our revenue from certain of our products. If sales volume or price of such products declines in the future, or if we are unable to sell such products for any reason, our business, financial condition, cash flows and results of operations could be adversely affected. Our commercial success is largely dependent upon our ability to strategically diversify our product portfolio. Presently, we deal in a limited number of products and therefore, our ability to diversify and successfully market our products might be limited, which may have an adverse impact on our revenue and profitability.*

We are a manufacturer and processor of dehydrated vegetables, serving leading institutional manufacturers engaged in branded packaged food industries, traders and international importers of dehydrated products. Presently, our product portfolio includes, dehydrated carrot, dehydrated cabbage and dehydrated ring beans/beans. For details in respect of our products, please refer to “*Our Business- Flexible and diversified product portfolio*” on page 135 of this Draft Red Herring Prospectus. We derive a significant portion of our revenue from dehydrated carrots and dehydrated ring beans. A break up of the product-wise revenues earned by our Company during the three month period ended June 30, 2024 and the Fiscals 2024, 2023 and 2022 have been provided below:

| 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 |
| <i>Our Main Products</i> | | | | | | | | |
| 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) | 202.44 | 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 |
| Carrot | 18.73 | 2.52 | 609.51 | 26.05 | 83.30 | 5.52 | - | - |
| <i>Our Ancillary Products</i> | | | | | | | | |
| 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 |
| Washed Carrot | 19.54 | 2.63 | - | - | - | - | - | - |
| Dextrose Mono Hydrate | 3.39 | 0.46 | - | - | - | - | - | - |
| Dehydrated White Onion Skin | - | - | - | - | 0.85 | 0.06 | - | - |

| 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 |
| Dehydrated White Onion Unsorted | - | - | - | - | 1.60 | 0.11 | - | - |
| Total | 742.57 | 100.00 | 2,339.78 | 100.00 | 1,508.87 | 100.00 | 1,356.26 | 100.00 |

As on date of this Draft Red Herring Prospectus, we derive a significant portion of our revenue from a limited number of products and our ability to expand our operations and increase our revenue and profits is dependent upon strategic diversification of our product portfolio. If the sales volume or pricing of the aforementioned products declines in the future due to any reason, such as shortage in the supply of raw materials, disruption in the manufacturing process, decrease in consumer demand; or if this product may no longer be sold due to withdrawal or cancellation of applicable regulatory approvals, etc., our business, financial condition, cash flows and results of operations could be adversely affected. There have not been any instances wherein we had to withdraw certain of our products, however occurrence of any such events in respect of our best selling products could have an adverse impact on our business, results of operations and financial condition.

Our Company had commenced its business operations by manufacturing dehydrated carrots and has subsequently added dehydrated ring beans and cabbage as part of its offered products. We have in the past successfully added and commercialised our products, by cross selling them to our existing customers, however we cannot assure you that we shall be able to achieve the same in the future as well. We are in the process of diversifying our product portfolio by adding products such as dehydrated beetroot, dehydrated papaya and dehydrated onions, however such products are in the development stage. We cannot assure you that such products will be developed in time or that such products shall be commercially successful with our customers. In the event, our customer highlight any quality or health related concerns in such products we may have to redevelop our products thereby leading to increased expenditure on product development and delayed returns on investment. We have incurred an amount aggregating to ₹NIL, ₹ NIL, ₹ 8.80 lakhs and ₹ 1.51 lakhs as expenditure towards product development during the three-month period ended June 30, 2024 and the Fiscals 2024, 2023 and 2022, which constituted 0%, 0%, 0.61% and 0.12%, respectively of our total expenses, respectively. Our failure to effectively react to these situations or to successfully introduce new products could adversely affect our business, prospects, results of operations and financial condition.

3. *We derive a significant portion of our revenues from repeat orders which we identify as orders placed by key customers that have placed orders with our Company previously. Any loss of, or a significant reduction in the repeat orders received by us could adversely affect our business, results of operations, financial condition and cash flows.*

We derive a significant portion of our revenue from operations from repeat orders from our key customers which we identify as orders placed by key customers, who have placed orders with our Company previously. Set forth below is our revenue from such customers in the three-months period ended June 30, 2024 and the Financial Years ended March 31, 2024, March 31, 2023 and March 31, 2022:

| Particulars | June 30, 2024 | | March 31, 2024 | | March 31, 2023 | | March 31, 2022 | |
|---|---------------|----------------------------------|----------------|----------------------------------|----------------|----------------------------------|----------------|----------------------------------|
| | (₹ in lakhs) | % of our revenue from operations | (₹ in lakhs) | % of our revenue from operations | (₹ in lakhs) | % of our revenue from operations | (₹ in lakhs) | % of our revenue from operations |
| Revenue from repeat orders from key customers | 214.86 | 28.94 | 1,239.42 | 52.97 | 1,400.53 | 92.82 | 1,187.64 | 87.57 |

We have historically been dependent, and expect to depend, on such repeat orders, for a substantial portion of our revenue and the loss of any them for any reason (including due to loss of, or termination of existing arrangements; limitation to meet any urgent demand, failure to address issues with quality of products, or disputes with a customer; adverse changes in the financial condition of our customers, such as possible bankruptcy or liquidation or other financial

hardship, change in business practices of our dealers) could have a material adverse effect on our business, results of operations, financial condition and cash flows.

4. ***Our business is subject to seasonal variations that could result in fluctuations in our results of operations. Further, fresh vegetables being the principal raw material used for manufacturing of our products, our business depends on the availability of such vegetables and any shortage of vegetables may adversely affect our business and results of operations.***

Our business is influenced by the availability of vegetables, such as carrots, cabbage, ring beans, etc. Our production schedules are therefore dependent upon the availability of such products at cost competitive prices. While, there have been instances in the past, wherein our operations were affected by seasonal fluctuations on account of non-availability of vegetables, we cannot assure you that such instance shall not occur in the future. For instance, during the Financial Year 2024, our Company experienced a reduction in production of dehydrated carrot and cabbage, on account of less availability of fresh vegetables in the market, owing to seasonal fluctuation. Our business depends on the availability of fresh vegetables and any shortage of such vegetables may adversely affect our business and results of operations. We do not own any land for cultivation of vegetables and we purchase our entire raw material requirement directly from various independent farmers from within and outside our reserved area. The farmers from whom we procure our raw materials are not obligated to sell their produce to our Company and can offer their products to our competitors at better pricing, therefore we need to maintain cordial relations with these farmers to ensure that they sell their produce to us. Also, we strive to maintain relations with farmers in other areas not in our immediate vicinity so that we have adequate supply of vegetables during all seasons. Further, the farmers associated with us have no legal or contractual obligation to cultivate the vegetables procured by us and may instead grow other crops. If the farmers from whom we procure our raw materials, cultivate other crops, or otherwise limit their cultivation of the desired vegetables, we may have a shortage of the raw material. We do not have any long term agreement with our farmers and also the farmers are not obligated to sell their produce to us. The absence of long-term contracts at fixed prices exposes us to volatility in the prices of raw materials that we require and we may be unable to pass these costs onto our customers, which may reduce our profit margins. We also face a risk that one or more of our existing suppliers may discontinue their supplies to us, and any inability on our part to procure raw materials from alternate suppliers in a timely fashion, or of a desired quality, or on commercially acceptable terms, may adversely affect our operations.

A break up of the expenses incurred from top five and top ten suppliers are as under:

| Particulars | June 30, 2024 | | Fiscal 2024 | | Fiscal 2023 | | Fiscal 2022 | |
|------------------|---------------|----------------|-------------|----------------|-------------|----------------|-------------|----------------|
| | Amount | Percentage (%) | Amount | Percentage (%) | Amount | Percentage (%) | Amount | Percentage (%) |
| Top 5 suppliers | 409.22 | 83.16 | 408.23 | 23.69 | 582.89 | 41.67 | 394.56 | 50.16 |
| Top 10 suppliers | 438.04 | 89.02 | 549.31 | 31.87 | 727.30 | 51.99 | 509.04 | 64.72 |

(₹ in Lakhs)

To ensure that the farmers stay interested in selling their produce to our Company, we may need to provide financial and other incentives to the farmers, which may increase our expenditure, which we may not be able to pass on to our customers. On the other hand, diversion of vegetables to our competitors may reduce the share of vegetables available for us and may adversely affect our financial condition and results of operation. In addition, adverse weather conditions, crop disease, pest attacks may adversely affect crop yields and recovery rates for any given harvest and may adversely affect our manufacturing operations. Flood or drought can adversely affect the supply and pricing of the vegetables procured by us from the farmers. There can be no assurance that weather patterns, crop disease or the cultivation of certain vegetable varieties will not reduce the amount of raw materials that we can recover in any given harvest. Any reduction in the vegetables sourced could have a material adverse effect on our business and results of operations.

5. ***The improper handling, processing or storage of raw materials or products, or spoilage of and damage to such raw materials and products, or any real or perceived contamination in our products, could subject us to regulatory and legal action, damage our reputation and have an adverse effect on our business, results of operations and financial condition.***

The products that we manufacture or process are subject to risks such as contamination, adulteration and product tampering during their manufacture, transport or storage. We face inherent business risks of exposure to product liability or recall claims in the event that our products fail to meet the required quality standards or are alleged to result in harm to customers. These contaminations may be human induced or natural, and, as a result, there is a risk that they could affect our final products. Vegetables, if not stored properly may be exposed to deterioration, fleas, putrefaction or diseases, such as, Salmonella, Campylobacter, Enterohaemorrhagic Escherichia coli, etc. The food borne illness

initiated in domestic refrigerator may be attributed to inappropriate food storage including ineffective chill storage and refrigerator management. Failure to follow correct practices in the maintenance, use or cleaning of domestic refrigerator poses a number of risks to consumers. Microbial contamination caused by unwashed raw foods, hands, leaking packages, utensil surface, etc are introduced to domestic refrigerator and can directly contaminate other stored foods. (Source: <https://www.ijemas.com/6-12-2017/Shweta%20Madhwal%20and%20Sonika%20Sharma.pdf>) There is a potential for deterioration of our products as a result of improper handling at the processing, packing, storing or transportation levels, which may adversely affect our customer image. Such risks may be controlled, but not eliminated, by adherence to good manufacturing practices and finished product testing. We have little, if any, control over proper handling once our products are shipped to our customers. We face the risk of legal proceedings and product liability claims being brought by various entities, including consumers, distributors and government agencies for various reasons including for defective or contaminated products sold or services rendered. If we experience a product recall or are a party to a product liability case, we may incur considerable expense in litigation. We cannot assure that we will not experience product recalls or product liability losses in the future. Further, we do not have any product liability insurance cover and getting such an insurance afresh will require additional cost. Any product recall, product liability claim or adverse regulatory action may adversely affect our reputation and brand image, as well as entail significant costs in excess of available insurance coverage, which could adversely affect our reputation, business, results of operations and financial condition. While, the aforementioned events have not occurred in the past, however occurrence of such events in the future, may have a material impact on our business, results of operations and financial condition.

6. ***Our Company is reliant on the demand from the FMCG industry for a significant portion of our revenue. Any downturn in the FMCG industry or an inability to increase or effectively manage our sales could have an adverse impact on our Company's business and results of operations.***

We manufacture dehydrated carrot, dehydrated cabbage and dehydrated ring beans / beans, as raw materials in the fast moving consumer goods ("FMCG") industry, for products such as cup noodles, ready to eat noodles, pasta, soup, etc. Accordingly, our revenue of operations for our products is significantly dependent upon the success of the FMCG industry. Our revenues are highly dependent on our customers from the FMCG industry and the loss of any of our customers from any industry which we cater to may adversely affect our sales and consequently on our business and results of operations.

In the event, our customers substitute our products with that of our competitors due to difference in price or quality of the products, it may have an adverse impact on the demand for our products. Similarly, in the event our competitors who are larger than us or develop alliances to compete against us may be able to improve the efficiency of their manufacturing process or their distribution or raw materials sourcing process and thereby offer high quality products at lower price and our Company may be unable to adequately react to such developments which may affect our revenues and profitability. Furthermore, our competitors may be able to with-stand industry downturns better than us or provide customers with products at more competitive prices; thereby impacting our revenues and profitability adversely.

7. ***The commercial success of our products depends to a large extent on the success of the products of our end use customers. If the demand for the end use products in which our products are used as a raw materials declines, it could have a material adverse effect on our business, financial condition and results of operations.***

The products manufactured and supplied by us are primarily utilized as raw materials in the FMCG industry, for manufacturing instant products such as, cup noodles, ready to eat noodles, pasta, soup, etc. Our customers are mainly leading institutional manufacturers engaged in branded packaged food industries, traders and international importers of dehydrated products. For further details, please refer to the chapter titled "Our Business" at page 130 of this Draft Red Herring Prospectus.

The demand of our products is directly proportional to the demand of the products of our customers who use our products to market their products and services. Therefore, the commercial success of our business is highly dependent on the commercial viability, demand and success of the end use products of our customers. Any downturn in the demand of such products could have a direct impact on the demand of our products and our business operations. Any disturbance in the industry in which our customers supply their end use products could adversely impact our business due to our high dependence on our customers. A reduction in the demand, development and production activities in the industries in which the end use products of our customers are supplied to, may correspondingly cause a decline in the demand for our products due to a slump in the business activities of our customers. Alternatively, in the event our customers devise another cost effective method to market and sell their products or if our customers are able to find

a cheaper alternative for our products, it could conversely result in a reduction in the demand of our products and have a material adverse effect on our business, financial condition and results of operations.

We cannot assure you that we will be develop diverse applications of our products in various industries to diversify and bifurcate our business risk in a systematic manner and counter effect the failure of one industry to avoid an impact on our business operations. We also cannot assure you that we will be able to provide cost effective and quality products to our customers, which would deter them from approaching our competitors to substitute our products at lower prices. Our failure to effectively react to these situations or to successfully introduce new products or new applications for our existing products could adversely affect our business, prospects, results of operations and financial condition.

- 8. *Our manufacturing unit and our operations are geographically concentrated in Madhya Pradesh. Consequently, we are exposed to risks from economic, regulatory and other developments in such region which could have an adverse effect on our business, results of operations and financial condition. Further, our continued operations are critical to our business and any shutdown of our manufacturing unit may adversely affect our business, results of operations and financial condition.***

Our manufacturing unit and our business operations are located in District Dhar, Madhya Pradesh. Our products find extensive application in the FMCG sector. Our products find wide application as raw materials in the FMCG industry, for products such as cup noodles, ready to eat noodles, pasta, soup, *etc.* Since all our manufacturing and storage operations are restricted in Madhya Pradesh, the economic and regulatory condition in Madhya Pradesh may be impact our business operations, on account of various factors outside our control, including prevailing local, social and economic conditions, changes in the applicable governmental regulations, demographic trends, changes in regulations governing employment of labourers, fluctuation in the income levels and interest rates, among other factors. Further, since our manufacturing unit is concentrated in Madhya Pradesh any political disruption, natural calamities or civil disruptions, opposition and protests, particularly in locations where we operate in Madhya Pradesh, could adversely affect our business operations or strategy. There is no assurance that such disruption in business operations would not bring any hindrance in the functioning of our manufacturing unit. Consequently, our business, results of operations, cash flows and financial condition have been and will continue to be heavily dependent on the performance of, and the prevailing conditions affecting the FMCG industry in Madhya Pradesh and all over India. While, the aforementioned events have not occurred in the past, however occurrence of such events in the future, may have a material impact on our business, results of operations and financial condition.

Further, as a result, any local social unrest, natural disaster or breakdown of services and utilities in Madhya Pradesh, could have material adverse effect on the business, financial position and results of our operations. Our current manufacturing unit is subject to operating risks, such as breakdown or failure of equipment, power supply or processes, reduction or stoppage of water supply, performance below expected levels of efficiency, obsolescence, natural disasters, industrial accidents and the need to comply with the directives of relevant government authorities. In the event, we are forced to shut down our manufacturing unit for a prolonged period; it would adversely affect our earnings, our other results of operations and financial condition as a whole. Spiralling cost of living around our unit may push our manpower costs in the upward direction, which may reduce our margin and cost competitiveness. While, the aforementioned events have not occurred in the past, however occurrence of such events in the future, may have a material impact on our business, results of operations and financial condition.

In addition to the above if our manufacturing unit suffers losses as a result of any industrial accident, we may be forced to shut down our manufacturing unit which could result in us being unable to meet with our commitments, which will have an adverse effect on our business, results of operation and financial condition. Further, any contravention of or non-compliance with the terms of various regulatory approvals applicable to our manufacturing unit may also require us to cease or limit production until such non-compliance is remedied to the satisfaction of relevant regulatory authorities. While, the aforementioned events have not occurred in the past, however we cannot assure you that we will not experience work disruptions in the future resulting from any dispute with our employees or other problems associated with our employees and the labor involved in our manufacturing unit, which may hinder our regular operating activities and lead to disruptions in our operations, which could adversely affect our business, prospects, financial condition, cash flows and results of operations.

- 9. *We generate our major portion of sales from our operations in certain geographical regions. Any adverse developments affecting our operations in these regions could have an adverse impact on our revenue and results of operations.***

We generate major sales from our customers situated at select geographical regions, namely, Karnataka, Maharashtra

and Madhya Pradesh. Such geographical concentration of our business in these regions heightens our exposure to adverse developments related to competition, as well as economic and demographic changes in these regions which may adversely affect our business prospects, financial conditions and results of operations. The table sets forth below revenue earned by our Company by offering services in various states as a percentage of our revenue from operations during the period indicated:

(₹ in lakhs)

| State | Three-month period ended | | Fiscal | | | | | |
|----------------|--------------------------------|--------------------|--------------------------------|--------------------|--------------------------------|--------------------|--------------------------------|--------------------|
| | 30th June 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 |
| Madhya Pradesh | 515.62 | 69.44 | 1175.28 | 50.23 | 296.81 | 19.67 | 389.25 | 28.70 |
| Maharashtra | 82.83 | 11.16 | 253.718 | 10.84 | 290.25 | 19.24 | 163.25 | 12.04 |
| Uttarakhand | 70.46 | 9.49 | 124.69 | 5.33 | 85.93 | 5.69 | 138.02 | 10.18 |
| Gujarat | 3.14 | 0.42 | 117.74 | 5.03 | 47.2 | 3.13 | 59.36 | 4.38 |
| Kerala | 0 | 0.00 | 0 | 0.00 | 63.33 | 4.20 | 39.93 | 2.94 |
| Karnataka | 46.47 | 6.26 | 438.625 | 18.75 | 348 | 23.06 | 166.17 | 12.25 |
| Punjab | 0 | 0.00 | 0 | 0.00 | 22.28 | 1.48 | 8.46 | 0.62 |
| West Bengal | 23.98 | 3.23 | 0 | 0.00 | 152.61 | 10.11 | 75.36 | 5.56 |
| Total | 742.52 | 100 | 2,110.06 | 90 | 1,306.41 | 87 | 1,039.84 | 77 |

Existing and potential competitors to our businesses in these states may increase their focus on these states. The concentration of our operations heightens our exposure to adverse developments related to competition, as well as economic, political, demographic and other changes, which may adversely affect our business prospects, financial conditions and results of operations. While we strive to geographically diversify our product portfolio and reduce our concentration risk, we cannot assure you that adverse developments associated with the region will not impact on our business. If we are unable to mitigate the concentration risk, we may not be able to develop our business as planned and our business, financial condition and results of operation could be adversely affected.

This concentration of business subjects us to various risks, including but not limited to:

- (i) vulnerability to change in laws, policies and regulations of the political and economic environment;
- (ii) perception by our potential customers that we are a regional company which hampers us from competing for large and complex projects at the national level; and
- (iii) limitation on our ability to implement the strategy to cluster projects in the states where we intend to conduct business.

Further, any significant interruption to our operations directly or indirectly as a result of any severe weather or other natural disasters could materially and severely affect our business, financial condition and results of operations. Similar adverse consequences could follow if war, or war-like situation were to prevail or terrorist attacks, etc. In such instance, we may have to completely halt our operations which may severely impact our business operations. Any such disruption for any reason could result in significant increase of costs and delays in execution of orders.

Factors such as competition, culture, regulatory regimes, business practices and customs, industry needs, transportation, in other markets where we may expand our operations may differ from those in such regions, and our experience in these regions may not be applicable to other markets. In addition, as we enter new markets and geographical areas, we are likely to compete not only with national players, but also local players who might have an established local presence, are more familiar with local regulations, business practices and industry needs, have stronger relationships with local distributors, dealers, relevant government authorities, suppliers or are in a stronger financial position than us, all of which may give them a competitive advantage over us. Our inability to expand into areas outside our present geographical regions may adversely affect our business prospects, financial conditions and results of operations. While our management believes that our Company has requisite expertise and vision to grow and mark its presence in other markets going forward, investors should consider our business and prospects in light of the risks, losses and challenges that we may face and should not rely on our results of operations for any prior periods as an indication of our future performance. While such instances have not materially occurred in the past, however future occurrence of any such instances could impact our earnings, financial condition and results of operation.

10. We may face several risks associated with the proposed expansion of our manufacturing unit, which could hamper our growth, prospects, cash flows and business and financial condition.

We intend to utilize a portion of the Net Proceeds of this Offer towards upgradation of our existing manufacturing unit, to enhance the quality of our products and increase the production capacity of our manufacturing unit. We also intend to reduce our electricity costs and make our operations sustainable by installing roof top solar panels. These will contribute immensely towards our business operations and market position. For further details, please refer to the chapter titled “*Object of the Offer*” at page 92 of this Draft Red Herring Prospectus.

During the process of expansion of our manufacturing unit, we may face several difficulties such as cost overruns or delays for various reasons, including, but not limited to, our financial condition, changes in business strategy and external factors such as market conditions, competitive environment and interest or exchange rate fluctuations, changes in design and configuration, increase in input costs of construction materials and labour costs, incremental preoperative expenses, taxes and duties, start-up costs, interest and finance charges, working capital margin, environment and ecology costs and other external factors which may not be within the control of our management.

Any delay in expansion of our manufacturing unit could lead to revenue loss for our Company. Further, our expansion plan may be subject to delays and other risks, which may be caused due to certain other unforeseen events, such as unforeseen engineering or technical problems, disputes with workers, unanticipated cost increases or changes in scope and delays in obtaining certain property rights and government approvals and consents. While we may seek to minimize the risks from any unanticipated events, it cannot be assured that all potential delays could be mitigated and that we will be able to prevent any cost and time over-runs and any loss of profits resulting from such delays, shortfalls and disruptions.

Further, the budgeted cost may prove insufficient to meet the requirements of the proposed capital expenditure due to, among other things, cost escalation, which could drain our internal cash flows or compel us to raise additional capital, which may not be available on terms favorable to us or at all. We cannot assure that we will be able to complete the aforementioned expansion of our manufacturing unit in accordance with the proposed schedule of implementation and any delay in setting up such plants in a timely manner, or at all, could have an adverse impact on our growth, prospects, cash flows and business and financial condition.

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 1st April 2024 to 30th June 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 |

| Month | Due Date of filing | Date of Filing Return | Delay Period |
|--------|--------------------|-----------------------|--------------|
| 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. 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. Any adverse change in regulations governing our products and the products of our customers, may adversely impact our business prospects and results of operations.

Regulatory requirements with respect to our products and the products of our customers are subject to change. An adverse change in the regulations governing the manufacturing of our products mainly being, the Food Safety and Standards Act 2006 and the usage of our products by our customers, including introduction of new quality and labelling standards or the imposition of onerous requirements, may have an adverse impact on our operations. Our Company may be required to alter our manufacturing and/or distribution process and target markets and incur capital expenditure to achieve compliance with such new regulatory requirements applicable to us and our customers.

We cannot assure you that we will be able to comply with the regulatory requirements. If we fail to comply with new statutory or regulatory requirements, there could be a delay in the submission or grant of approval for manufacturing and marketing new products or we may be required to withdraw existing products from the market. Moreover, if we fail to comply with the various conditions attached to such approvals, licenses, registrations and permissions once received, the relevant regulatory body may suspend, curtail or revoke our ability to market such products and/or we may be deemed to be in breach of our arrangements with our customers. Consequently, there is an inherent risk that we may inadvertently fail to comply with such regulations, which could lead to forced shutdowns and other sanctions imposed by the relevant authorities, as well as the withholding or delay in receipt of regulatory approvals for our new products, which may adversely impact our business, results of operations and financial condition.

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 |

| S. No. | Name of the Form/Return | Date of Event | Due Date of filing | Actual Date of Filing |
|--------|-------------------------|---------------|--------------------|--------------------------------------|
| | | | | 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. 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. We would like to inform that as on date, the current MoA of the company is updated with the original (incorporation) subscribers only. |
| 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. 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. 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. 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) | By inadvertence, certain clerical errors reported in the MGT 7A/7. The correct details have been submitted with the RoC in Form GNL-2. |

| Sr. No. | Particulars | Clarification |
|---------|---|---|
| | 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. | |
| 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. |

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. There have been instances of delay in repayment of loans in the past. We cannot assure you that any such delays shall not occur in the future or that such delays would not trigger any restrictive covenants or events of default as per the agreements executed with our lenders.

There have been instances of delayed repayment of borrowings in the past. The details of the same have been provided below:

| Banks | Details of Loans availed | Financial Year in which delay occurred | Amount of delay (₹ in lakhs) | Period of Delay (in days) |
|-------------------|--------------------------|--|------------------------------|---------------------------|
| HDFC Bank Limited | Term Loan | April-2023 | 3.06 | 4 |
| | | May-2023 | 10.04 | 3 |
| | | June-2023 | 8.76 | 2 |
| | | July-2023 | 8.27 | 14 |
| | | August-2023 | 8.33 | 3 |
| | | September-2023 | 1.29 | 8 |
| | | October-2023 | 8.44 | 6 |
| | | November-2023 | 8.50 | 7 |
| | | December-2023 | 8.56 | 16 |
| | | January-2024 | 10.15 | 6 |
| | | February-2024 | 9.31 | 2 |
| | | March-2024 | 9.37 | 1 |
| | | April-2024 | 9.44 | 6 |
| | | May-2024 | 9.51 | 2 |

For further details, please see – “*History and Certain Corporate Matters- Defaults or rescheduling/restructuring of borrowings with financial institutions/banks*” on page 161.

We cannot assure you that there will not be any future instances in delay or default in repayment of borrowings or request our lenders to reschedule of our loans. We also cannot assure you that any of our requests in this regard would be accepted by our lenders or it would not trigger any restrictive covenants or events of default as per the agreements

executed with our lenders. Occurrence of any of the aforementioned events, could affect our cash flows, financial condition and business operations.

- 16. *If our product development efforts do not succeed, we may not be able to improve our existing products and/or introduce new products, which could adversely affect our results of operations, growth and prospects. Further, if we are unable to anticipate and respond to changes in the market trends and changing customer preferences in a timely and effective manner, or if we fail to maintain our reputation, brand value or increase the market for our products, the demand for our products may decline.***

In order to remain competitive, we are required to review the performance of our existing products and the manufacturing process and take necessary actions to improve taste, applications and variety of our existing products and new potential products, in compliance with applicable regulatory standards. We intend to utilise a portion of the Net Proceeds towards upgradation of our existing Unit, to manufacture additional products such as onion flakes, dehydrated beetroot and dehydrated papaya. This will enable our Company to cater to large number of customers in different geographies. Our investments towards product development could result in higher costs without a corresponding increase in revenues. However, we cannot assure you that the product development initiatives taken by our Company would succeed or result in an improvement in either our existing products or manufacturing process which may affect our ability to compete with our competitors and have an adverse effect on our operations. Further, our product development initiatives with respect to developing new uses for existing products or new products may not result in the development of cost-effective or economically viable solutions, thereby affecting our operations, growth and prospects.

If we are unable to gauge the changing tastes and preference of end use customers or changing trends in the industry and are unable to upgrade our product portfolio in line with the same it may have an adverse effect on our business operations. Our products have varied applications and are majorly used in fast food, such as cup noodles, ready to eat noodles, pasta, soup, etc. Since our products form a key raw material for manufacturing the end us products of our customers, we are expected to be aware of the changing tastes, preferences and regulatory requirements. Therefore, results of our operations are dependent on our ability to anticipate, gauge and respond to such changes and devise new products or modify our existing products in lines with the changes in market trends as well as customer demands and preferences. If we are unable to respond to the changes or upgrade our products periodically as per the prevalent market trends, or if we are unable to adapt to such changes by launching new products as per the demand, we may significantly lose our market position and existing customer base which may adversely affect our results of operations and financial condition.

- 17. *Our Company is yet to place orders for the plant and machinery and roof top solar equipment for the proposed expansion of our manufacturing unit. Any delay in placing orders or procurement of such plant and machinery may delay the schedule of implementation and possibly increase the cost of commissioning the manufacturing unit.***

Our Company has received third party quotations for the plant and machinery and roof top solar equipment required to be installed in the proposed facility in our manufacturing unit, for details please refer to the chapter titled “*Objects of the Offer*” on page 92 of this Draft Red Herring Prospectus. Although, we have identified the type of plant and machinery and roof top solar equipment to be purchased for the existing facility, we are yet to place order for 100% of the plant and machinery and roof top solar equipment. The cost of the machineries and roof top solar equipment is based on the quotations received from suppliers and such quotations are subject to change due to various factors such as, change in supplier of equipment, change in the government regulation and policies, change in management’s view of desirability of the current plans, possible cost overruns, etc. Since, we have not yet placed orders for 100% of our plant and machinery and roof top solar equipment we cannot assure that we will be able to procure the same in a timely manner and at the same price at which the quotations have been received. Delay in procurement of the same can cause time and cost overrun in the implementation of our proposed expansion of the manufacturing unit and can also compel us to buy such machineries at a higher price, thus causing the budgeted cost to vary. Further, some of the machinery is being procured from China, therefore we are dependent upon smooth trade relations between India and China. In view of the ongoing clashes between both the countries, if any of the countries decide to restrict or all together halt the trade, our expansion plans may be adversely impacted. We may have to arrange for alternative machineries or suppliers, which may be time taking or cause delay in completion of expansion of our manufacturing unit. As a result our business, financial condition, results of operations and prospects could be materially and adversely affected.

- 18. *The cost estimates for the proposed expansion of our manufacturing unit have been derived from internal estimates of our management and may not be accurate.***

The anticipated cost of the proposed expansion of our manufacturing unit will be ₹ 699.75 Lakhs. For ascertaining this cost, reliance has been placed on the estimates, budgets and numerous assumptions made by our management and any bank or financial institution has not appraised the same. The actual costs of expansion of our manufacturing unit may exceed such budgeted amounts due to a variety of factors such as construction delays, escalation cost of raw material, interest rates, labour costs, regulatory and environmental factors, weather conditions and our financing needs. Our financial condition, results of operations and liquidity would be materially and adversely affected if our expansion costs materially exceed such budgeted amounts. As a result, our business, financial condition, results of operations and prospects could be materially and adversely affected. For further details of the scheduled operational dates of our proposed unit, see “*Objects of the Offer*” on page 92 of this Draft Red Herring Prospectus.

19. *Our products contribute to the fast moving consumer goods industry, which has experience disruption in the past, on account of health concerns and improper handling of food materials. Any such disruption may directly impact our business, results of operations and financial conditions.*

We are susceptible to risks relating to decline in revenue from operations, due to disruption in sales of final products of our customers. For instance, in June 2015, the Food Safety and Standards Authority of India (FSSAI) had banned Maggi noodles, forcing Nestle India to stop production and withdraw the product from the market. The ban was due to concerns about lead levels in the product, which were found to exceed legal standards. Occurrence of such events with any of our customers, leading to halting of their operations or temporary disruption in sales, could adversely impact our business and financial condition.

Further, the FMCG industry as a whole faces several health-related concerns, on account of addition of common ingredients like sugar, fat, and salt, which are linked to obesity and other health issues. According to the WHO, a specialized agency of the UN, FMCG companies are worsening the worldwide incidence of heart disease, cancer, and diabetes. In the event, the Government of India or of countries where our customers operate, restrict manufacturing, export or import of FMCG products, or levy heavy import or export duties, our expenditure and customer base may be impacted. While, our products do not cause any health concerns and therefore their applications can be diversified in various other applications such as Oats, Upma, Poha, etc. We may require team to diversify our customer base and increase applications of our products, however we believe that we shall be able to address the aforementioned events, to reduce the impact on our business, results of operations and financial conditions. While, the aforementioned events have not occurred in the past, occurrence of any such events may impact our results of operations, cash flows and profits.

20. *Technological advancement may lead to more cost-effective technologies that can be performed at lower costs or at better quality, which could adversely affect our business, financial condition, results of operations and cash flows.*

Advances in technology may lead to the development of more cost-effective technologies. Currently we use hot air technology for dehydration vegetables. Our competitors may adopt new technology which may lead to better quality products at cost effective basis which may result in increase in their market share. Our revenues may be adversely affected including our future business prospects, financial condition, results of operation and our future cash flows. Our ability to anticipate changes in technology and to develop and introduce new and enhanced products successfully on a timely basis will be a significant factor in our ability to grow and to remain competitive. We cannot assure you that we will be able to achieve the technological advances that may be necessary for us to remain competitive or that certain of our products will not become obsolete. We are also subject to the risks generally associated with new product introductions and applications, including lack of market acceptance and delays in product development. Any failure on our part to forecast and / or meet the changing demands will have an adverse effect on our business, profitability and growth prospects.

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 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.

22. *We operate in a competitive business environment and our inability to compete effectively may adversely affect our business, results of operations, financial condition and cash flows.*

The dehydrated product industry in India is competitive with both organized and unorganized markets. However, we are required to compete both in the domestic and international markets. We may be unable to compete with the prices and products offered by our competitors (local as well as international). We may have to compete with new players in India and abroad who enter the market and are able to offer competing products. Our competitors may have access to greater financial, manufacturing, research and development, design, marketing, distribution and other resources and more experience in obtaining the relevant regulatory approvals. Increasing competition may result in pricing pressures and decreasing profit margins or loss of market share or failure to improve our market position, any of which could substantially harm our business and results of operations. We cannot assure you that we will be able to compete with our existing as well as future competitors as well as the products prices and payment terms offered by them. In addition, our customers may enter into contract manufacturing arrangements with third parties, for products that they are presently purchasing from us. Our failure to successfully face existing and future competition may have an adverse impact on our business, growth and development.

Further, some of our competitors may be larger than we are and may have greater resources, market presence, geographic reach and the ability to products with better brand recognition than ours. Some of our competitors may be able to procure raw materials at lower costs than us, and consequently be able to sell their products at lower prices. As a result, our competitors may be able to withstand industry downturns better than us or provide customers with products at more competitive prices. Some of our international competitors may be able to capitalize on their overseas experience to compete in the Indian market. Consequently, we cannot assure you that we will be able to compete successfully in the future against our existing or potential competitors or that our business and results of operations will not be adversely affected by increased competition. We cannot assure you that we will be able to maintain our existing market share. Our competitors may significantly increase their marketing expenses to promote their brands and products, which may require us to similarly increase our advertising and marketing expenses and engage in effective pricing strategies, which we may not be able to pass on to our customers which in turn may have an adverse effect on our business, results of operations and financial condition. For further details, please see "Industry Overview" on page 117 of this Draft Red Herring Prospectus.

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. 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.

24. *Our inability to effectively manage our growth or to successfully implement our business plan and growth strategy could adversely affect our business, results of operations and financial condition.*

We have experienced considerable growth over the past three years and we have expanded our operations and product portfolio. We cannot assure you that our growth strategies will continue to be successful or that we will be able to continue to expand further, or at the same rate.

Our inability to execute our growth strategies in a timely manner or within budget estimates or our inability to meet the expectations of our customers and other stakeholders, could have an adverse effect on our business, results of operations and financial condition. Our future prospects will depend on our ability to grow our business and operations. The development of such future business could be affected by many factors, including general, political and economic conditions in India, government policies or strategies in respect of specific industries, prevailing interest rates and price of equipment and raw materials. Further, in order to manage our growth effectively, we must implement, upgrade and improve our operational systems, procedures and internal controls on a timely basis. If we fail to implement these systems, procedures and controls on a timely basis, or if there are weaknesses in our internal controls that would result in inconsistent internal standard operating procedures, we may not be able to meet our customers' needs, hire and retain new employees or operate our business effectively. Failure to manage growth effectively could adversely affect our business and results of operations.

25. 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 |
|------------------------------------|--------------|---------------|---------------|---------------|
| <i>Current Assets</i> | | | | |
| 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 |
| Total (A) | 2,601.81 | 1,826.24 | 1,129.67 | 560.98 |
| <i>Current Liabilities</i> | | | | |
| 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 |
| Total (B) | 670.30 | 641.36 | 390.46 | 129.11 |
| <i>Net Working Capital (A)-(B)</i> | 1,931.51 | 1,184.88 | 739.21 | 431.87 |
| <i>Sources of Working Capital</i> | | | | |
| Borrowings | 839.79 | 493.57 | 413.00 | 263.84 |
| Net worth | 168.03 | 326.21 | 691.31 | 1,091.72 |

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.

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.

26. We are dependent on information technology systems in carrying out our business activities and it forms a part of our business. Further, if we are unable to adapt to technological changes and successfully implement new technologies or if we face failure of our information technology systems, we may not be able to compete effectively which may result in higher costs and would adversely affect our business and results of operations.

We are dependent on information technology system in connection with carrying out our business activities and such systems form a part of our business. Any failure of our information technology systems could result in business interruptions, including the loss of our customers, loss of reputation and weakening of our competitive position, and could have a material adverse effect on our business, financial condition and results of operations. Additionally, our information technology systems, specifically our software, TallyPrime may be vulnerable to computer viruses, piracy, hacking or similar disruptive problems. Computer viruses or problems caused by third parties could lead to disruptions in our business activities. Fixing such problems caused by computer viruses or security breaches may require interruptions, delays or temporary suspension of our business activities, which could adversely affect our operations. Breaches of our information technology systems may result in unauthorized access to confidential information of our Company. Such breaches of our information technology systems may require us to incur further expenditure to put in place advanced security systems to prevent any unauthorised access to our networks. While, the aforementioned events have not occurred in the past, however, any breach of our systems or software leads to the leaking of our trade secrets or any inventive techniques devised by our Company, it might lead to loss of our originality in the market and increase the chance of our products being substituted by the products of our competitors.

Our future success depends in part of our ability to respond to technological advancements and emerging standards and practices on a cost-effective and a timely basis. Our failure to successfully adopt such technologies in a cost-effective manner could increase our costs thereby compelling us to bid at lower margins which might lead to loss of bidding opportunities vis-à-vis such competitors. Additionally, the government authorities may require adherence with certain technologies and we cannot assure you that we would be able to implement such technologies in a timely manner or at all. The cost of upgrading or implementing new technologies or upgrading our existing equipment or expanding our capacity could be significant, less cost effective and therefore could negatively impact our profitability, results of operations, financial condition as well as our future prospects. While, the aforementioned events have not occurred in the past, however, occurrence of any such events may have an adverse impact on our business, results of operations and financial condition.

27. Under-utilization of our manufacturing capacities may have an adverse effect on our business, future prospects and future financial performance.

The success of any capacity investment and expected return on investment on capital expenditure is subject to, among other factors, the ability to procure requisite regulatory approvals in a timely manner; recruit and ensure satisfactory performance of personnel to further grow our business; and the ability to absorb additional infrastructure costs and develop new expertise. Our ability to maintain our profitability depends on our ability to optimize the product mix to support high-margin products and products with consistent long-term demand and the demand and supply balance of

our products in the principal and target markets. In particular, the level of our capacity utilization can impact our operating results. Capacity utilization is also affected by our product mix and the demand and supply balance. 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% |
| Others | MT | 50 | 28.55 | 57.1% | 50 | 20.84 | 41.68% | 100 | 87.50 | 87.50% |
| TOTAL | | 950 | 718.55 | 75.63% | 950 | 730.84 | 76.93% | 1500 | 1107.5 | 73.83% |

For further information, see “*Our Business - Capacity Installed and Capacity Utilization*” on page 145 of this Draft Red Herring Prospectus. These capacity utilization details are not indicative of future capacity utilization rates, which are dependent on various factors, including demand for our products, availability of raw materials, our ability to manage our inventory and improve operational efficiency.

Our Company has experienced a decline in capacity utilisation of carrot, it’s by products and cabbage as well as its by-products, on account of reduction in availability of fresh vegetables in the market. Under-utilization of our manufacturing capacities over extended periods, or significant under-utilization in the short-term, could materially and adversely impact our business, growth prospects and future financial performance. Our capacity utilization levels are dependent on our ability to carry out uninterrupted operations at our manufacturing unit, the availability of raw materials, industry/ market conditions, as well as by the product requirements of, and procurement practice followed by us. In the event we face prolonged disruptions at our manufacturing unit including due to interruptions in the supply of water, electricity or as a result of labour unrest, or are unable to procure sufficient raw materials, we would not be able to achieve full capacity utilization of our current manufacturing unit, resulting in operational inefficiencies which could have a material adverse effect on our business and financial condition.

28. *We may be unable to grow our business in additional geographic regions or international markets, which may adversely affect our business prospects and results of operations.*

Our Company seeks to grow its market reach domestically to explore untapped markets and segments; however, we cannot assure you that we will be able to grow our business as planned. Infrastructure and logistical challenges in addition to the advancement of research and development in the FMCG industry, changing customers’ taste and preferences may prevent us from expanding our presence or increasing the penetration of our products. Further, customers may be price conscious and we may be unable to compete effectively with the products of our competitors. If we are unable to grow our business in these new markets effectively, our business prospects, results of operations and financial condition may be adversely affected.


Further, expansion into new international markets is important to our long-term prospects. Competing successfully in international markets requires additional management attention and resources to tailor our services to the unique aspects of each new country. We may face various risks, including legal and regulatory restrictions, increased advertising and brand building expenditure, challenges caused by distance, language and cultural differences, in addition to our limited experience with such markets and currency exchange rate fluctuations. International markets require a very high standard of quality of products and our Company may not be able to match the international standards thereby failing to make a brand presence in the international markets. If we are unable to make long-lasting relations with the major customers in the overseas market or if we are unable to justify the quality of our products to them, it may make it difficult for us to enter into such markets. These and other risks, which we do not foresee at present, could adversely affect any international expansion or growth, which could have an adverse effect on our business, results of operations and financial condition.

29. *If we are not able to obtain, renew or maintain our statutory and regulatory licenses, registrations and*

approvals required to operate our business, it may have a material adverse effect on our business, results of operations and financial condition.

We require certain statutory and regulatory licenses, registrations and approvals to operate our business some of which are granted for a fixed period of time and need to be renewed from time to time. Further, in future, we may also be required to obtain new licenses, registrations and approvals for any proposed operations, including any expansion of existing operations. There can be no assurance that the relevant authorities will renew such licenses, registrations and approvals in a timely manner or at all. There have been instances in the past, wherein licenses and approvals obtained by our Company, we obtained with a delay and therefore our Company operated its manufacturing unit without such licenses and approvals. Further, these licenses, registrations and approvals are subject to several conditions, and our Company cannot assure that it shall be able to continuously meet such conditions or be able to prove compliance with such conditions to statutory authorities, and this may lead to cancellation, revocation or suspension of relevant licenses, approvals and registrations. We may be subject to penalties or suffer a disruption in our business activities, any of which could adversely affect our results of operations. Further, our Company will be responsible for bearing any and all liabilities arising out of this non-compliance. If we are unable to renew, maintain or obtain the required registrations or approvals, it may result in the interruption of our operations and may have a material adverse effect on our revenues and operations. Failure by our Company to renew, maintain or obtain the required licenses or approvals, or cancellation, suspension, or revocation of any of the licenses, approvals and registrations may result in the interruption of our Company's operations and may have a material adverse effect on our business. For further details on the licenses obtained by our Company and licenses for which renewal applications have been made, kindly refer the chapter titled "Government and Other Approvals" beginning on page 238 of this Draft Red Herring Prospectus.

- 30. We do not own any trade names or trademarks. We may be unable to adequately protect our intellectual property. Furthermore, we may be subject to claims alleging breach of third party intellectual property rights. Any litigation related to our intellectual property could be time consuming and costly.***

We do not own any copyright, trademark, trade name or other intellectual property right in or to the names or logos, including the "" logo and the "Sawaliya Food" or "Sawaliya" trade names or trademarks with the Trade Mark Registry. We do not enjoy the statutory projections accorded to a registered trademark include sentence on application to register new logo. There can be no assurance that we will be able to register the trademark and the logo or that third parties will not infringe on our intellectual property, causing damage to our business prospects, reputation and goodwill. We may need to litigate in order to determine the validity of such claims and the scope of the proprietary rights of others. While the aforementioned instances have not occurred in the past, occurrence of any such litigation could be time consuming and costly and the outcome cannot be guaranteed. We may not be able to detect any unauthorized use or take appropriate and timely steps to enforce or protect its intellectual property.

- 31. We are dependent on third party transportation providers for delivery of raw materials to us from our suppliers and delivery of our finished products to our customers. We have not entered into any formal contracts with our transport providers and any failure on part of such service providers to meet their obligations could adversely affect our business, financial condition and results of operation.***

To ensure smooth functioning of our manufacturing operations, we need to maintain continuous supply and transportation of the raw materials required from the supplier to our manufacturing unit and transportation of our finished products from our unit to our customers, which may be subject to various uncertainties and risks. We are significantly dependent on third party transportation providers for the delivery of raw materials to us and delivery of our finished products to our customers. Uncertainties and risks such as transportation strikes or delay in supply of raw materials and products could have an adverse effect on our supplies and deliveries to and from our customers and suppliers. Additionally, raw materials and products may be lost or damaged in transit for various reasons including occurrence of accidents or natural disasters. While, the aforementioned events have not occurred in the past, however occurrence of instances of failure to maintain a continuous supply of raw materials or to deliver our products to our distribution intermediaries in a timely, efficient and reliable manner could adversely affect our business, results of operations and financial condition.

Further, we have not entered into any long term agreements with our transporters for any of our manufacturing unit and the costs of transportation are generally based on mutual terms and the prevailing market price. In the absence of such agreements, we cannot assure that the transport agencies would fulfill their obligations or would not commit a breach of the understanding with us. In the event that the finished goods or raw materials suffer damage or are lost during transit, we may not be able to prosecute the agencies due to lack of formal agreements. Further, the transport agencies are not contractually bound to deal with us exclusively, we may face the risk of our competitors offering

better terms or prices, which may cause them to cater to our competitors alongside us or on a priority basis, which could adversely affect our business, results of operations and financial condition. While, the aforementioned events have not occurred in the past, however, occurrence of any such events may have an adverse impact on our business, results of operations and financial condition.

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. 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.

33. We have significant power requirements for continuous running of our manufacturing unit. Any disruption to our operations on account of interruption in power supply or any irregular or significant hike in power tariffs may have an effect on our business, results of operations and financial condition.

Our manufacturing unit has significant electricity requirements and any interruption in the supply of power may temporarily disrupt our operations. All our manufacturing unit receive power supply from local power authorities. Since, we have a significant power consumption, any unexpected or unforeseen increase in the tariff rates can increase the operating cost of our manufacturing unit and thereby cause an increase in the production cost which we may not be able to pass on to our customers. The details of electricity expenses and total expenses of our Company are as follows:

| Particulars | Three-month period ended | | Fiscal | | | | | |
|----------------------|--------------------------|--------------|----------------------|--------------|----------------------|--------------|----------------------|--------------|
| | 30th June 2024 | | 2024 | | 2023 | | 2022 | |
| | Expense (₹ in lakhs) | % of expense | Expense (₹ in lakhs) | % of expense | Expense (₹ in lakhs) | % of expense | Expense (₹ in lakhs) | % of expense |
| Electricity Expenses | 17.56 | 3.19 | 71.70 | 3.73 | 53.00 | 3.64 | 44.55 | 3.44 |
| Total Expense | 550.72 | | 1,923.65 | | 1,457.86 | | 1,295.37 | |

There are limited number of electricity providers in the areas from where we operate due to which in case of a price hike, we may not be able to find a cost-effective substitute, which may negatively affect our business, financial condition, cash flows and results of operations. For further details, please refer to the chapter titled “Our Business” on page 130 of this Draft Red Herring Prospectus.

34. Our Promoters, Directors, Senior Management and Key Managerial Personnel have interests in our Company other than reimbursement of expenses incurred or normal remuneration or benefits.

Our Promoters, Directors, Senior Management and Key Managerial Personnel, may be deemed to be interested in our Company, in addition to the regular remuneration or benefits, reimbursements of expenses, Equity Shares held by them or their relatives, their dividend or bonus entitlement, benefits arising from their directorship in our Company. Our Promoters, Director, Senior Management and Key Managerial Personnel may also be interested to the extent of any transaction entered into by our Company with any other company or firm in which they are directors or partners. For further details please refer to the paragraphs titled — “Interest of our Directors” in the chapter titled — “Our Management”, the paragraphs titled — “Interest of our Promoters and Other Interests and Disclosures” in the chapter titled — “Our Promoters and Promoter Group”, “Financial Indebtedness” and “Restated Financial Information” on pages 168, 178, 229 and 183, respectively of this Draft Red Herring Prospectus.

There can be no assurance that our Promoters, Directors, Senior Management and Key Managerial Personnel will exercise their rights as shareholders to the benefit and best interest of our Company. Our Promoters and members of our Promoter Group will continue to exercise significant control over our Company, including being able to control the composition of our Board of Directors and determine decisions requiring simple or special majority voting of shareholders, and our other shareholders may be unable to affect the outcome of such voting. Our Directors and our Key Management Personnel may take or block actions with respect to our business, which may conflict with the best interests of our Company or that of minority shareholders.

- 35. One of our Promoters and members of our Promoter Group have extended personal guarantees with respect to loan facilities availed by our Company. Further, some of the members of our Promoter Group have extended personal properties as collateral for securing the facilities availed by our Company. Revocation of any or all of these personal guarantees or withdrawal of such properties may adversely affect our business operations and financial condition.**

Our Promoter, Raghav Somani and member of our Promoter Group namely, Madhav Somani, Krishnakant Somani and Hansa Somani have extended personal guarantees in favour of State Bank of India with respect to the loan facilities availed by our Company. Further, members of our Promoter Group, Shantilal Balmukund Somani HUF, Hansa Somani and Krishnakant Somani have extended their personal properties as collateral for securing the loans availed by our Company. In the event any of these guarantees are revoked, our lenders may require us to furnish alternate guarantees or an additional security or may demand a repayment of the outstanding amounts under the said facilities sanctioned or may even terminate the facilities sanctioned to us. There can be no assurance that our Company will be able to arrange such alternative guarantees in a timely manner or at all. In the event if the personal property of our Promoter Group is withdrawn, our lenders may require us to furnish alternate properties or may demand a repayment of the outstanding amounts under the said facilities sanctioned or may even terminate the facilities sanctioned to us. There can be no assurance that our Company will be able to arrange such alternative properties in a timely manner or at all. If the properties are withdrawn, the ability of our Company to continue its business operations could be adversely affected. If our lenders enforce these restrictive covenants or exercise their options under the relevant debt financing agreements, our operations and use of assets may be significantly hampered and lenders may demand the payment of the entire outstanding amount and this in turn may also affect our further borrowing abilities thereby adversely affecting our business and operations.

- 36. Our Promoters and members of the Promoter Group have significant control over the Company and have the ability to direct our business and affairs; their interests may conflict with your interests as a shareholder.**

Upon completion of this Offer, our Promoters and members of our Promoter Group will collectively hold [●]% of the Equity share capital of our Company. As a result, our Promoters will have the ability to exercise significant influence over all matters requiring shareholders' approval. Accordingly, our Promoters will continue to retain significant control, including being able to control the composition of our Board of Directors, determine decisions requiring simple or special majority voting of shareholders, undertaking sale of all or substantially all of our assets, timing and distribution of dividends and termination of appointment of our officers, and our other shareholders may be unable to affect the outcome of such voting. There can be no assurance that our Promoters will exercise their rights as shareholders to the benefit and best interests of our Company. Further, such control could delay, defer or prevent a change in control of our Company, impede a merger, consolidation, takeover or other business combination involving our Company, or discourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of our Company even if it is in our Company's best interest. The interests of our Promoters could conflict with the interests of our other equity shareholders, and our Promoters could make decisions that materially and adversely affect your investment in the Equity Shares.

- 37. The average cost of acquisition of Equity Shares held by our Promoters could be lower than the Offer Price.**

Our Promoters' average cost of acquisition of Equity Shares in our Company may be lower than the Offer Price which is proposed to be determined through a Book Building Process. The average cost of acquisition of Equity Shares for the Promoters (also the Promoter Selling Shareholders) is as follows:

| Name of the Promoters/ Selling Shareholders | No. of shares held | Average Cost of Acquisition (in ₹) |
|---|--------------------|------------------------------------|
| Raghav Somani | 30,72,476 | 0.85 |
| Priya Somani | 30,72,462 | 0.27 |

**As certified by the Statutory Auditors, by way of their certificate dated October 9, 2024.*

For further details regarding average cost of acquisition of Equity Shares by our Promoters in our Company and build-up of Equity Shares by our Promoters in our Company, please refer to the chapter titled “*Capital Structure*” on page 81 of this Draft Red Herring Prospectus.

38. *Our future fund requirements, in the form of further issue of capital or securities and/or loans taken by us, may be prejudicial to the interest of the Shareholders depending upon the terms on which they are eventually raised.*

We may require additional capital from time to time depending on our business needs. Any further issue of Equity Shares or convertible securities would dilute the shareholding of the existing Shareholders and such issuance may be done on terms and conditions, which may not be favorable to the then existing Shareholders. If such funds are raised in the form of loans or debt or preference shares, then it may substantially increase our fixed interest/dividend burden and decrease our cash flows, thus adversely affecting our business, results of operations and financial condition.

39. *We have in past entered into related party transactions and we may continue to do so in the future.*

As of June 30, 2024, we have entered into several related party transactions with our Promoters, individuals and entities forming a part of our promoter group relating to our operations. In addition, we have in the past also entered into transactions with other related parties. For further details, please refer to the chapter titled — “*Restated Financial Information*” at page 183.

While we confirm that all our related party transactions have been conducted on an arm’s length basis and is in compliance with the Companies Act, 2013 and other applicable laws, we cannot assure you that we may not have achieved more favorable terms had such transactions been entered into with unrelated parties. There can be no assurance that such transactions, individually or taken together, will not have an adverse effect on our business, prospects, results of operations and financial condition, including because of potential conflicts of interest or otherwise. In addition, our business and growth prospects may decline if we cannot benefit from our relationships with them in the future.

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 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.

41. *Our Company’s management will have flexibility in utilizing the Net Proceeds from the Offer and the deployment of the net proceeds from the Offer is not subject to any monitoring by any independent agency.*

Our Company intends to primarily use the Net Proceeds towards the objects as mentioned in “*Objects of the Offer*” on page 92 of this Draft Red Herring Prospectus. In terms of the SEBI (ICDR) Regulations, we are not required to appoint a monitoring agency since the Offer size is not in excess of ₹ 10,000 lakhs. The Audit Committee of our Company shall be monitoring utilisation of Net Proceeds, and the investors will be relying on the judgment of the

Audit Committee regarding the application of the Net Proceeds from the Offer. Our company may have to revise its management estimates from time to time and consequently its requirements may change.

Further, pursuant to Section 27 of the Companies Act 2013, any variation in the objects would require a special resolution of the shareholders and our Promoters or controlling shareholders will be required to provide an exit opportunity to the Shareholders of our company who do not agree to such proposal to vary the objects, in such manner as may be prescribed in future by the SEBI. Our Company shall inform about material deviations in the utilization of Offer proceeds to the stock exchange and shall also simultaneously make the material deviations / adverse comments of the audit committee to public. Accordingly, prospective investors in the offer will need to rely upon our Audit Committee's judgment with respect to the use of net proceeds. If we are unable to enter into arrangements for utilization of net proceeds as expected and assumed by us in a timely manner or at all, we may not be able to derive the expected benefits from the proceeds of the Offer and our business and financial results may suffer.

42. *Our Company has availed certain unsecured loans which are callable in nature.*

As on August 31, 2024, our Company has outstanding current unsecured loans which have been extended by our third parties which may be recalled at any time. We cannot assure you that our lenders would not demand repayment of unsecured loans extended to us. In the event, our lenders seek repayment of any these loans, our Company would need to find alternative sources of financing, which may not be available on commercially reasonable terms, or at all. If we are unable to arrange for any such financing arrangements, we may not have adequate working capital to carry out the operations or complete our ongoing operations. Therefore, any such demand may adversely affect our business, financial condition and results of operations. For further details, see "*Financial Indebtedness*" on page 229 of this Draft Red Herring Prospectus.

43. *In addition to our existing indebtedness for our existing operations, we may incur further indebtedness during the course of business. We cannot assure that we would be able to service our existing and/ or additional indebtedness.*

As on August 31, 2024 our Company's total fund based indebtedness is ₹ 1,405.35 lacs. In addition to the indebtedness for our existing operations, we may incur further indebtedness during the course of our business. We cannot assure you that we will be able to obtain further loans at favorable terms. Increased borrowings, if any, may adversely affect our debt-equity ratio and our ability to borrow at competitive rates. In addition, we cannot assure you that the budgeting of our working capital requirements for a particular year will be accurate. There may be situations where we may under-budget our working capital requirements, which may lead to delays in arranging additional working capital requirements, loss of reputation, levy of liquidated damages and can cause an adverse effect on our cash flows.

Any failure to service our indebtedness or otherwise perform our obligations under our financing agreements entered with our lenders or which may be entered into by our Company, could trigger cross default provisions, penalties, acceleration of repayment of amounts due under such facilities which may cause an adverse effect on our business, financial condition and results of operations. For details of our indebtedness, please refer to the chapter titled — "*Financial Indebtedness*" on page 229 of this Draft Red Herring Prospectus.

44. *We have not made any alternate arrangements for meeting our capital requirements for the Objects of the Offer. Further, we have not identified any alternate source of financing the 'Objects of the Offer'. Any shortfall in raising / meeting the same could adversely affect our growth plans, operations and financial performance.*

As on date, we have not made any alternate arrangements for meeting our capital requirements for the Objects of the Offer. We meet our capital requirements through our bank finance, unsecured loans, owned funds and internal accruals. Any shortfall in our net owned funds, internal accruals and our inability to raise debt in future would result in us being unable to meet our capital requirements, which in turn will negatively affect our financial condition and results of operations. Further, we have not identified any alternate source of funding and hence any failure or delay on our part to raise money from this issue or any shortfall in the issue proceeds may delay the implementation schedule and could adversely affect our growth plans. For further details, please refer to the chapter titled "*Objects of the Offer*" beginning on page 92 of this Draft Red Herring Prospectus.

45. *Our success largely depends upon the knowledge and experience of our Promoters, Directors and our Key Managerial Personnel. Loss of any of our Directors and key managerial personnel or our ability to attract and retain them could adversely affect our business, operations and financial condition.*

The growth and success of our Company's future significantly depends upon the experience of our Promoters and continued services and the management skills of our Key Managerial Personnel and the guidance of our Promoters

and Directors for development of business strategies, monitoring its successful implementation and meeting future challenges. We believe the expertise, experience and continued efforts of our Key Managerial Personnel and their inputs are valuable to for the operations of our Company. Our future success and growth depend largely on our ability to attract, motivate and retain the continued service of our highly skilled management personnel. Our Company has never been faced with a challenge of high rate of attrition of our Key Management Personnel in the past, however, any attrition of our experienced Key Managerial Personnel, would adversely impact our growth strategy. We cannot assure you that we will be successful in recruiting and retaining a sufficient number of personnel with the requisite skills to replace those Key Managerial Personnel who leave. In the event we are unable to motivate and retain our key managerial personnel and thereby lose the services of our highly skilled Key Managerial Personnel may adversely affect the operations, financial condition and profitability of our Company and thereby hampering and adversely affecting our ability to expand our business. For further details on our Directors and Key Managerial Personnel, please refer to the chapter titled — “Our Management” on page 164 of this Draft Red Herring Prospectus.

46. Our inability to procure and/or maintain adequate insurance cover in connection with our business may adversely affect our operations and profitability.

Our operations are subject to inherent risks and hazards which may adversely impact our profitability, such as breakdown, malfunctions, sub-standard performance or failures of manufacturing equipment, fire, riots, third party liability claims, loss-in-transit for our products, accidents and natural disasters. Details of our total insurance coverage vis-à-vis our net assets as on March 31, 2024, March 31, 2023 and March 31, 2022 is set out below:

| Particulars | As on March 31, 2024 | As on March 31, 2023 | As on March 31, 2022 |
|--|----------------------|----------------------|----------------------|
| Insurance coverage* (A) | 582.02 | 351.61 | 266.45 |
| Net assets** as per Restated Financial Information (B) | 1,968.16 | 1,651.71 | 756.02 |
| Net tangible assets*** (C) | 602.05 | 274.85 | 215.04 |
| Insurance expenses as per Restated Financial Information | 2.80 | 1.63 | 1.57 |
| Insurance coverage times the net assets (A/B) | 0.30 | 0.21 | 0.35 |
| Insurance coverage times the net tangible assets (A/C) | 0.97 | 1.28 | 1.24 |

*Insurance coverage = Total insurance coverage amount by considering insurance policies of property, equipments, vehicles, stock, erection and all risk insurance

**Net assets = Property, Plant and Equipment (net block) + Capital Work in Progress + Intangibles (net block) + Investment Property (Buildings net block) + Inventories

***'Net Tangible Assets' means net block of Property, Plant and Equipment, capital work in progress for fixed assets (including capital advances), Current Assets, Non-current assets (other than Net block of Property, Plant and Equipment, Intangible Assets and Deferred Tax) and excludes Borrowings (secured loans and unsecured loans) and current and non-current liabilities and provisions.

As certified by our Statutory Auditors, M/s Maheshwari and Gupta, pursuant to a certificate dated October 9, 2024.

Presently, we maintain insurance cover, details of which have been provided below:

| S. No. | Insurer | Description of Property Insured | Policy No. | Expiry date | Insured Amount |
|--------|---|--|-------------------------------|--|----------------|
| 1. | Liberty General Insurance Limited | Car Policy Maruti Baleno-Zeta 1.2 | 201140070223700294901000 | August 30, 2025 | 4,27,640 |
| 2. | Future Generali India Insurance Company limited | Tata Motors- Tiago (P) XZA | 132/02/11/0825/MTP/0000060579 | August 7, 2025 | 330,000 |
| 3. | The New India Assurance Company Limited | Hero Moto/HF Deluxe ECO | 45110031230100012179 | February 23, 2025 | 17,770 |
| 4. | United India Insurance Company Limited | Bajaj Auto Ltd/ Pulsar 125 Neon Disc BS6 | 0402013123P115565005 | Own Damage: February 22, 2024 to February 21, 2025 Liability: February 22, 2024 to February 21, 2029 CPA Cover: February 22, 2024 | 76,395 |

| S. No. | Insurer | Description of Property Insured | Policy No. | Expiry date | Insured Amount |
|--------|---|--|----------------------|---|---|
| | | | | to February 21, 2025 | |
| 5. | ICICI Lombard General Insurance Company Limited | Toyota/Urban Cruiser Hyryder | TIL11099406 | Own Damage: February 22, 2024 to February 21, 2025 Third Party: February 22, 2023 to February 21, 2026 | 16,83,550 |
| 6. | Future Generali India Insurance Company limited | Employee Compensation Insurance Policy Employee Compensation Insurance for Skilled and unskilled employees with additional coverage of medical examination of 55 workers. | L0268010 | August 4, 2025 | 11,000,000 |
| 7. | United India Insurance Company Limited | <ul style="list-style-type: none"> On Entire Building Built Of Class I Construction &/Or Store Room &/Or Godown &/Or All Associated Const Office Building. On Entire Plant and Machinery &/Or Transformer &/Or Electrical &/Or Mechanical Installation &/ Or Self Conveyor, Exhaust Fan, Cyclon Separator, Silencer, Spares &/Or Tools Of Trade Contained At Above Premises. On Goods Such As Fruits/Vegetables &/ Or Dried &/Or Dehydration Forms Of Fruits/Dry Fruits/Vegetables Placed &/Or Lying &/Or Contained In The Factory Premises &/Or In Godown Building | 1920001124P107466782 | August 16, 2025 | <ul style="list-style-type: none"> 20,000,000 25,000,000 20,000,000 |
| 8. | United India Insurance Company Limited | <ul style="list-style-type: none"> On Entire Building Built of Class I Construction of Cold Storage Building &/ Or All Associated Const Plinth and Foundation/Eps Thermal Installation On Entire Plant and Machinery &/Or Frozen Chamber Loading Elevator, Steel R Ack. Wooden Planks at above premises. Stock Of Potato/Ch Hana/Kirana Goods /Dry Fruits/Fruits/Vegetables /Grains/Carrots/Gagger y/Coriander/Onion &/Or All Kinds Of Fruits/ &/Or Packing Material Of All Kind Place D &/Or Lying &/Or Contained At Above Premises | 1920001124P107466250 | August 16, 2025 | <ul style="list-style-type: none"> 32,500,000 30,000,000 140,000,000 |

There are many events that could cause significant damages to our operations, or expose us to third-party liabilities, whether or not known to us, for which we may not be insured or adequately insured, which in turn may expose us to certain risks and liabilities. There can be no assurance that our insurance policies will be adequate to cover the losses in respect of which the insurance had been availed. Further, there can be no assurance that any claim under the insurance policies maintained by us will be honored fully, in part, or on time. If we were to incur a significant liability for which we were not fully insured, it could adversely affect our results of operations and financial position. While, we have not incurred any significant liability in the past, we cannot assure you that such instances will not occur in the future. Occurrence of any such instances may have an adverse impact on our business, results of operations and financial condition.

47. We have certain contingent liabilities and our financial condition and profitability may be adversely affected if any of these contingent liabilities materialize.

As of June 30, 2024, our contingent liabilities and commitments (to the extent not provided for) as disclosed in the notes to our Restated Financial Information aggregated to ₹ 1.35 lacs. The details of our contingent liabilities are as follows:

(₹ in lacs)

| Particulars | As at 30 June 2024 | As at 31 March 2024 | As at 31 March 2023 | As at 31 March 2022 |
|-------------|-----------------------|------------------------|------------------------|------------------------|
| TDS Demand | 1.35 | 1.35 | 1.20 | 1.18 |

The TDS demand primarily arises from PAN discrepancies, late payments, and short deductions. Our Company is in the process of filing an appeal against the raised TDS demand, and as such, it has been disclosed as a contingent liability.

For further details of contingent liability, see the section titled — “*Financial Information*” on page 183 of this Draft Red Herring Prospectus. Furthermore, there can be no assurance that we will not incur similar or increased levels of contingent liabilities in the future.

48. Our Company had negative cash flows in the past years, details of which are given below. Sustained negative cash flow could impact our growth and business.

We have experienced negative cash flows in the past which have been set out below:

| Particulars | For the period ended June 30, 2024 | For the year ended March 31, | | |
|---------------------------------------|--|------------------------------|----------|----------|
| | | 2024 | 2023 | 2022 |
| Net Cash from Operating Activities | (329.48) | -* | -* | -* |
| Net Cash from Investing Activities | (460.01) | -* | (560.02) | (106.15) |
| Net Cash used in Financing Activities | -* | (169.20) | -* | (4.91) |

*Indicated positive cash flow.

The negative operating cash flow for the period ended June 2024 is primarily due to an increased working capital requirement driven by trade receivables. The spike observed from April to June 2024 can be attributed to seasonal factors typical in the dehydration business, where sales peak, but payment collections are delayed due to customers' cash flow management practices.

Cash flow of a company is a key indicator to show the extent of cash generated from operations to meet its capital expenditure, pay dividends, repay loans, and make new investments without raising finance from external resources. Such negative cash flows lead to a net decrease in cash and cash equivalents. Any negative cash flow in future could adversely affect our operations and financial conditions and the trading price of our Equity Shares. For further details, please refer “*Financial Information*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 183 and 218, respectively.

49. We are subject to foreign currency exchange rate fluctuations which could have a material and adverse effect on our results of operations and financial conditions.

Our Company caters to both domestic & export markets. A portion of our revenue from operations is made up from export sales; the realization for such export operations is in foreign currency. Changes in value of currencies with respect to the Rupee may cause fluctuations in our operating results expressed in Rupees. The exchange rate between the Rupee and other currencies is variable and may continue to fluctuate in future. Any adverse or unforeseen fluctuations with respect to the unhedged exchange rate of any foreign currency for Indian Rupees may affect our Company's results of operations.

50. There are outstanding litigations involving our Company which, if determined adversely, may affect our business and financial condition.

As on the date of this Draft Prospectus, our Company is involved in certain legal proceedings. These legal proceedings are pending at different levels of adjudication before various courts and tribunals. The amounts claimed in these proceedings have been disclosed to the extent ascertainable and include amounts claimed jointly and/or severally from us and/or other parties, as the case may be. We cannot assure you that these legal proceedings will be decided in favour of our Company or that no further liability will arise out of these proceedings. Our Company may incur significant expenses in such legal proceedings and we may have to make provisions in our financial statements, which could increase our expenses and liabilities. Any adverse decision may adversely affect our business, results of operations and financial condition.

A summary of the pending litigations involving our Company is provided below:

Litigations involving our Company

i) *Cases filed against our Company:*

| Nature of Litigation | Number of matters outstanding | Amount involved (₹ in lakhs) |
|---|-------------------------------|------------------------------|
| Criminal matters | Nil | Nil |
| Direct Tax matters | 5 | 1.35 |
| Indirect Tax matters | Nil | Nil |
| Actions taken by regulatory authorities | Nil | Nil |
| Material civil litigations | Nil | Nil |

ii) *Cases filed by our Company:*

| Nature of Litigation | Number of matters outstanding | Amount involved (₹ in lakhs) |
|----------------------------|-------------------------------|------------------------------|
| Criminal matters | Nil | Nil |
| Direct Tax matters | Nil | Nil |
| Indirect Tax matters | Nil | Nil |
| Material civil litigations | Nil | Nil |

For further details, please refer to the chapter titled “*Outstanding Litigations and Material Developments*” beginning on page 234 of this Draft Red Herring Prospectus.

51. We are dependent upon the growth prospects of the industries, where end product is made using our product

Our Company is in to manufacturing of dehydrated vegetables which have substantial demand from food manufacturing companies. Our products are used in making masala, gravies, sauces, etc. We thus cater to the requirements of these industries and any slowdown in the growth rate or downward trend in any of these industries directly or indirectly impact our own growth prospects and may result in decline in profits and turnover of sales.

52. Non-Compliance with, and changes in, safety, health and environmental laws and regulations may adversely affect our business, prospects, financial condition and results of operations

Due to the nature of our business, we expect to be or continue to be subject to extensive and increasingly stringent environmental, health and safety laws and regulations and various labour, workplace and related laws and regulations. We are also subject to environmental laws and regulations, including but not limited to:

- a. Environment (Protection) Act, 1986
- b. Air (Prevention and Control of Pollution) Act, 1981
- c. Water (Prevention and Control of Pollution) Act, 1974
- d. Hazardous Waste Management & Handling Rules, 2008
- e. Other regulations promulgated by the Ministry of Environment and Forests and the Pollution Control Boards of the state of Madhya Pradesh.

which govern the discharge, emission, storage, handling and disposal of a variety of substances that may be used in or result from the operations of our business.

The scope and extent of new environmental regulations, including their effect on our operations, cannot be predicted and hence the costs and management time required to comply with these requirements could be significant. Amendments to such statutes may impose additional provisions to be followed by our Company and accordingly the Company needs to incur clean-up and remediation costs, as well as damages, payment of fines or other penalties, closure of production facilities for non-compliance, other liabilities and related litigation, could adversely affect our business, prospects, financial condition and results of operations.

53. *Our ability to pay dividends in the future may be affected by any material adverse effect on our future earnings, financial condition or cash flows.*

Our ability to pay dividends in future will depend on our earnings, financial condition and capital requirements. Our business is working capital intensive and we are required to obtain consents from certain of our lenders prior to the declaration of dividend as per the terms of the agreements executed with them. We may be unable to pay dividends in the near or medium term, and our future dividend policy will depend on our capital requirements and financing arrangements in respect of our operations, financial condition and results of operations. Although our Company has declared dividends in the past, however there can be no assurance that our Company will declare dividends in the future also. For further details, please refer to the chapter titled “*Dividend Policy*” and the chapter titled “*Financial Indebtedness*” on pages 182 and 229 respectively, of this Draft Red Herring Prospectus.

54. *The deployment of funds is entirely at our discretion and as per the details mentioned in the chapter titled “Objects of the Offer”.*

As the issue size shall be less than ₹10,000 lacs, under Regulation 41 of the SEBI ICDR Regulations it is not required that a monitoring agency be appointed by our Company, for overseeing the deployment and utilization of funds raised through this Offer. Therefore, the deployment of the funds towards the Objects of this Offer is entirely at the discretion of our Board of Directors and is not subject to monitoring by external independent agency. Our Board of Directors along with the Audit Committee will monitor the utilization of Offer proceeds and shall have the flexibility in applying the proceeds of this Offer. However, the management of our Company shall not have the power to alter the objects of this Offer except with the approval of the Shareholders of the Company given by way of a special resolution in a general meeting, in the manner specified in Section 27 of the Companies Act, 2013. Additionally, the dissenting shareholders being those shareholders who have not agreed to the proposal to vary the objects of this Offer, our Promoters shall provide them with an opportunity to exit at such price, and in such manner and conditions as may be specified by the SEBI, in respect to the same. For further details, please refer to the chapter titled — “*Objects of the Offer*” on page 92 of this Draft Red Herring Prospectus.

55. *The data and statistics added in this Draft Red Herring Prospectus may be incomplete or inaccurate or may not be comparable to statistics produced elsewhere.*

We have not independently verified data from the Industry and related data contained in this Draft Red Herring Prospectus. Such data may also be produced on a different basis from comparable information compiled with regards to other countries. Therefore, discussions of matters relating to India, its economy or the industries in which we operate that is included herein are subject to the caveat that the statistical and other data upon which such discussions may be incomplete, inaccurate or unreliable. Due to incorrect or ineffective data collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced elsewhere and should not be unduly relied upon. Further, we cannot assure you that they are stated or compiled on the same basis or with the same degree of accuracy, as the case may be, elsewhere.

56. *We have not independently verified certain data in this Draft Red Herring Prospectus.*

We have not independently verified data from the Industry and related data contained in this Draft Red Herring Prospectus. We have primarily relied upon the reports published by Indian Brand Equity Foundation for making disclosures in the chapter titled “*Industry Overview*” in this Draft Red Herring Prospectus. Such data may also be produced on a different basis from comparable information compiled with regards to other countries. Therefore, discussions of matters relating to India, its economy or the industries in which we operate that is included herein are subject to the caveat that the statistical and other data upon which such discussions are based have not been verified by us and may be incomplete, inaccurate or unreliable. Due to incorrect or ineffective data collection methods or

discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced elsewhere and should not be unduly relied upon. Further, we cannot assure you that they are stated or compiled on the same basis or with the same degree of accuracy, as the case may be, elsewhere.

57. *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.

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 on account of which our business, financial condition, results of operations and goodwill could be adversely affected.

59. *Our Company will not receive the entire proceeds from the Offer. Further, our Promoter Selling Shareholders will receive the proceeds from the Offer for Sale (after deducting applicable Offer-related expenses and taxes).*

The Offer comprises the Fresh Issue, which is the offer up to 26,03,000 Equity Shares aggregating up to ₹ [●] lakhs by our Company, and the Offer for Sale, which is an offer up to 3,00,000 Equity Shares aggregating up to ₹ [●] lakhs by the Promoter Selling Shareholders. The proceeds from the Offer for Sale will be paid to the Promoter Selling Shareholders (after deducting applicable Offer-related expenses and taxes) and our Company will not receive any such proceeds. For further details, see the section “*Objects of the Offer*” on page 92.

60. *The requirements of being a listed company may strain our resources.*

We are not a listed Company and have not, historically, been subjected to the increased scrutiny of our affairs by shareholders, regulators and the public at large that is associated with being a listed company. As a listed company, we will incur significant legal, accounting, corporate governance and other expenses that we did not incur as an unlisted company. We will be subject to the listing agreements with the Stock Exchanges and compliances of SEBI (LODR) Regulations which will require us to file audited annual and unaudited half yearly results and limited review reports with respect to our business and financial condition. If we experience any delays, we may fail to satisfy our reporting obligations and/or we may not be able to readily determine and accordingly report any changes in our results of operations as promptly as other listed companies which may adversely affect the financial position of the Company.

As a listed company, we will need to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, including keeping adequate records of daily transactions to support the existence of effective disclosure controls and procedures, internal control over financial reporting and additional compliance requirements under the Companies Act, 2013. In order to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, significant resources and management oversight will be required. As a result, management’s attention may be diverted from other business concerns, which could adversely affect our business, prospects, financial condition and results of operations. In addition, we may need to hire additional legal and accounting staff with appropriate listed company experience and technical accounting knowledge and we cannot assure you that we will be able to do so in a timely manner.

61. *The Equity Shares have never been publicly traded and the Offer may not result in an active or liquid market for the Equity Shares.*

Prior to the Offer, there has been no public market for the Equity Shares, and an active trading market on the Stock Exchanges may not develop or be sustained after the Offer. Listing and quotation does not guarantee that a market for the Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares. Although we currently intend that the Equity Shares will remain listed on the Stock Exchanges, there is no guarantee of the continued listing of the Equity Shares. Failure to maintain our listing on the Stock Exchanges or other securities markets could adversely affect the market value of the Equity Shares.

The Offer Price of the Equity Shares is proposed to be determined through a fixed price process in accordance with the SEBI ICDR Regulations and may not be indicative of the market price of the Equity Shares at the time of commencement of trading of the Equity Shares or at any time thereafter. The market price of the Equity Shares may be subject to significant fluctuations in response to, among other factors, variations in our operating results of our Company, market conditions specific to the industry we operate in, developments relating to India, volatility in securities markets in jurisdictions other than India, variations in the growth rate of financial indicators, variations in revenue or earnings estimates by research publications, and changes in economic, legal and other regulatory factors. You may not be able to resell your Equity Shares at a price that is attractive to you.

62. *There is no guarantee that the Equity Shares offered pursuant to the Offer will be listed on the Emerge Platform of National Stock Exchange of India Limited in a timely manner or at all.*

In accordance with Indian law and practice, permission for listing and trading of the Equity Shares offered pursuant to the Offer will not be granted until after the Equity Shares have been issued and allotted. Approval for listing and trading will require all relevant documents authorizing the issuance of Equity Shares to be submitted. There could be a failure or delay in listing the Equity Shares on the Emerge Platform of National Stock Exchange of India Limited due to delay in submission of required documents/ completion of formalities/compliance with required laws by the issuer. Any failure or delay in obtaining the approval would restrict your ability to dispose of your Equity Shares.

63. *There is no existing market for our Equity Shares, and we do not know if one will develop to provide you with adequate liquidity. Further, an active trading market for the Equity Shares may not develop and the price of the Equity Shares may be volatile.*

An active public trading market for the Equity Shares may not develop or, if it develops, may not be maintained after the Offer. Our Company, in consultation with the Book Running Lead Manager, will determine the Offer Price. The Offer Price may be higher than the trading price of our Equity Shares following this Offer. As a result, investors may not be able to sell their Equity Shares at or above the Offer Price or at the time that they would like to sell. The trading price of the Equity Shares after the Offer may be subject to significant fluctuations in response to factors such as, variations in our results of operations, market conditions specific to the sectors in which we operate economic conditions of India and volatility of the securities markets elsewhere in the world.

64. *The price of the Equity Shares may be highly volatile after the Offer, which could result in substantial losses for investors acquiring the Equity Shares in the Offer.*

The price of the Equity Shares on the Indian stock exchanges may fluctuate after this Offer as a result of several factors, including, volatility in the Indian and global securities market; our operations and performance; performance of our competitors and the perception in the market about investments in the our industry; adverse media reports on us or the industry; changes in the estimates of our performance or recommendations by financial analysts; significant developments in India's economic liberalization and deregulation policies; and significant developments in India's fiscal and environmental regulations. There can be no assurance that the prices at which the Equity Shares are initially traded will correspond to the prices at which the Equity Shares will trade in the market subsequently. The market price of the Equity Shares may be volatile and could fluctuate significantly and rapidly in response to, among others, the following factors, some of which are beyond our control:

- volatility in the Indian and global securities market or in the value of the Rupee relative to the U.S. Dollar, the Euro and other foreign currencies;
- our profitability and performance;
- changes in financial analysts' estimates of our performance or recommendations;
- perceptions about our future performance or the performance of Indian companies in general;

- performance of our competitors and the perception in the market about investments in the industries in which we operate;
- adverse media reports about us or the industries in which we operate;
- significant developments in India's economic liberalisation and deregulation policies;
- significant developments in India's fiscal and environmental regulations;
- economic developments in India and in other countries; and
- any other political or economic factors.

These fluctuations may be exaggerated if the trading volume of the Equity Shares is low. Volatility in the price of the Equity Shares may be unrelated or disproportionate to our results of operations. It may be difficult to assess our performance against either domestic or international benchmarks.

Indian stock exchanges, including the Stock Exchanges, have experienced substantial fluctuations in the prices of listed securities and problems such as temporary exchange closures, broker defaults, settlement delays and strikes by brokers. The governing bodies of Indian stock exchanges have also, from time to time, imposed restrictions on trading in certain securities, limitations on price movements and margin requirements. Further, disputes have occurred between listed companies, stock exchanges and other regulatory bodies, which in some cases may have had a negative effect on market sentiment. If such or similar problems were to continue or recur, they could affect the market price and liquidity of the securities of Indian companies, including the Equity Shares.

65. *You will not be able to sell immediately on the Stock Exchange any of the Equity Shares you purchase in the Offer.*

The Equity Shares will be listed on the Emerge Platform of National Stock Exchange of India Limited. Pursuant to Indian regulations, certain actions must be completed before the Equity Shares can be listed and trading may commence. Upon receipt of final approval from the Stock Exchanges, trading in the Equity Shares is to commence within three (03) working days of the date of closure of the Offer or such other time as may be prescribed by SEBI. SEBI pursuant to its circular bearing reference number SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 has reduced the time taken for listing of specified securities after the closure of public issue to 3 working days (T+3 days) as against the previous requirement of 6 working days (T+6 days); 'T' being issue closing date. Our Company shall follow the timeline provided under the aforementioned circular.

We cannot assure that the Equity Shares will be credited to investors' demat accounts, or that trading in the Equity Shares will commence, within the time period prescribed by law. Further, there can be no assurance that the Equity Shares to be Allotted pursuant to this Offer will be listed on the Stock Exchanges in a timely manner or at all.

66. *There are restrictions on daily movements in the trading price of the Equity Shares, which may adversely affect a shareholder's ability to sell Equity Shares or the price at which Equity Shares can be sold at a particular point in time.*

Our listed Equity Shares will be subject to a daily "circuit breaker" imposed on listed companies by the Stock Exchanges, which does not allow transactions beyond certain volatility in the trading price of the Equity Shares. This circuit breaker operates independently of the index-based market-wide circuit breakers generally imposed by SEBI on Indian stock exchanges. The percentage limit on the Equity Shares' circuit breaker will be set by the Stock Exchanges based on historical volatility in the price and trading volume of the Equity Shares. The Stock Exchanges are not required to inform our Company of the percentage limit of the circuit breaker, and they may change the limit without our knowledge. This circuit breaker would effectively limit the upward and downward movements in the trading price of the Equity Shares. As a result of this circuit breaker, there can be no assurance regarding the ability of shareholders to sell Equity Shares or the price at which shareholders may be able to sell their Equity Shares.

67. *Any future issuance of Equity Shares, or convertible securities or other equity-linked securities by our Company may dilute your shareholding and any sale of Equity Shares by our Promoters or members of our Promoters Group may adversely affect the trading price of the Equity Shares.*

Any future issuance of the Equity Shares, convertible securities or securities linked to the Equity Shares by our Company may dilute your shareholding in our Company; adversely affect the trading price of the Equity Shares and our ability to raise capital through further issue of our securities. In addition, any perception by investors that such

issuances or sales might occur could also affect the trading price of the Equity Shares. We cannot assure you that we will not issue additional Equity Shares. The disposal of Equity Shares by any of our Promoters and Promoter Group, or the perception that such sales may occur may significantly affect the trading price of the Equity Shares. We cannot assure you that our Promoters and Promoter Group will not dispose of, pledge or encumber their Equity Shares in the future.

68. *Sale of Equity Shares by our Promoters or other significant shareholder(s) may adversely affect the trading price of the Equity Shares.*

Any instance of disinvestments of Equity Shares by our Promoters or by other significant shareholder(s) may significantly affect the trading price of our Equity Shares. Further, our market price may also be adversely affected even if there is a perception or belief that such sale of Equity Shares might occur.

EXTERNAL RISK FACTORS

69. *Changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws, may adversely affect our business and financial performance.*

The regulatory and policy environment in which we operate is evolving and is subject to change. The Government of India may implement new laws or other regulations and policies that could affect our products or the building material industry in general, which could lead to new compliance requirements, including requiring us to obtain approvals and licenses from the Government of India and other regulatory bodies, or impose onerous requirements.

New compliance requirements could increase our costs or otherwise adversely affect our business, financial condition, cash flows and results of operations. Furthermore, the manner in which new requirements will be enforced or interpreted can lead to uncertainty in our operations and could adversely affect our operations. Any changes to such laws, including the instances mentioned below, may adversely affect our business, financial condition, results of operations, cash flows and prospects.

Additionally, the Government of India has introduced (a) the Code on Wages, 2019 (“**Wages Code**”); (b) the Code on Social Security, 2020 (“**Social Security Code**”); (c) the Occupational Safety, Health and Working Conditions Code, 2020; and (d) the Industrial Relations Code, 2020 (collectively, the “**Labour Codes**”) which consolidate, subsume and replace numerous existing central labour legislations. The Government of India has deferred the effective date of implementation of the respective Labour Codes, and they shall come into force from such dates as may be notified. Different dates may also be appointed for the coming into force of different provisions of the Labour Codes. While the rules for implementation under these codes have not been notified in its entirety, as an immediate consequence, the coming into force of these codes could increase the financial burden on our Company, which may adversely impact our profitability. We are yet to determine the impact of all or some such laws on our business and operations which may restrict our ability to grow our business in the future. For example, the Social Security Code aims to provide uniformity in providing social security benefits to the employees which was earlier segregated under different acts and had different applicability and coverage. Furthermore, the Wages Code limits the amounts that may be excluded from being accounted toward employment benefits (such as gratuity and maternity benefits) to a maximum of 50.00% of the wages payable to employees. The implementation of such laws has the ability to increase our employee and labour costs, thereby adversely impacting our results of operations, cash flows, business and financial performance. Further, the Government of India introduced the Bharatiya Nyaya Sanhita, 2024 with effect from July 1, 2024 to repeal the Indian Penal Code, 1860.

Unfavourable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations including foreign investment and stamp duty laws governing our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals. We may incur increased costs and other burdens relating to compliance with new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations, financial condition, cash flows and prospects. Uncertainty in the application, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may affect the viability of our current business or restrict our ability to grow our businesses in the future.

70. *Our business is substantially affected by prevailing economic conditions in India.*

We perform all of our activities in India, and the predominant portions of our customers are Indian nationals. As a result, we are highly dependent on prevailing economic conditions in India and our results of operation are

significantly affected by factors influencing the Indian economy. Factors that may adversely affect the Indian economy, and hence our results of operations, include:

- any increase in Indian interest rates or inflation;
- prevailing income conditions among Indian consumers and Indian corporations;
- changes in India's present tax, trade, fiscal or monetary policies;
- natural disasters, political instability, communal disturbances, riots, civil unrest, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighboring countries; and
- prevailing national, regional or global economic conditions, including in India's principal export markets.

In addition to the factors set forth above, our business may be affected by adverse changes specific to the industries in which we operate.

71. *Foreign investors are subject to foreign investment restrictions under Indian law.*

Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares is not in compliance with such pricing guidelines or reporting requirements or fall under any of the exceptions, then the prior approval of the RBI will be required. Additionally, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection or a tax clearance certificate from the income tax authority. We cannot assure you that any required approval from the RBI or any other Government agency can be obtained on any particular terms or at all.

72. *Any downgrading of India's debt rating by an independent agency may harm our ability to raise financing.*

Any adverse revisions to India's credit ratings international debt by international rating agencies may adversely affect our ability to raise additional overseas financing and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our ability to fund our growth on favourable terms or at all, and consequently adversely affect our business and financial performance and the price of our Equity Shares.

73. *Political instability or a change in economic liberalization and deregulation policies could seriously harm business and economic conditions in India generally and our business in particular.*

The Government of India has traditionally exercised and continues to exercise influence over many aspects of the economy. Our business and the market price and liquidity of our Equity Shares may be affected by interest rates, changes in Government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India. The rate of economic liberalization could change, and specific laws and policies affecting the information technology sector, foreign investment and other matters affecting investment in our securities could change as well. Any significant change in such liberalization and deregulation policies could adversely affect business and economic conditions in India, generally, and our business, prospects, financial condition and results of operations, in particular.

74. *Global economic, political and social conditions may harm our ability to do business, increase our costs and negatively affect our stock price.*

Global economic and political factors that are beyond our control, influence forecasts and directly affect performance of our business. These factors include interest rates, rates of economic growth, fiscal and monetary policies of governments, inflation, deflation, foreign exchange fluctuations, consumer credit availability, fluctuations in markets, consumer debt levels, unemployment trends and other matters that influence consumer confidence and spending. Increasing volatility in financial markets may cause these factors to change with a greater degree of frequency and magnitude, which may negatively affect our stock prices.

75. *Natural calamities could have a negative impact on the Indian economy and cause our business to suffer.*

India has experienced natural calamities such as earthquakes, tsunami, floods etc. In recent years, the extent and severity of these natural disasters determine their impact on the Indian economy. Prolonged spells of abnormal rainfall or other natural calamities could have a negative impact on the Indian economy, which could adversely affect our business, prospects, financial condition and results of operations as well as the price of the Equity Shares.

76. *Terrorist attacks, civil unrests and other acts of violence or war involving India or other countries could adversely*

affect the financial markets, our business, financial condition and the price of our Equity Shares.

Any major hostilities involving India or other acts of violence, including civil unrest or similar events that are beyond our control, could have a material adverse effect on India's economy and our business. Incidents such as the terrorist attacks, other incidents such as those in US, Indonesia, Madrid and London, and other acts of violence may adversely affect the Indian stock markets where our Equity Shares will trade as well as the global equity markets generally. Such acts could negatively impact business sentiment as well as trade between countries, which could adversely affect our Company's business and profitability. Additionally, such events could have a material adverse effect on the market for securities of Indian companies, including the Equity Shares.

SECTION IV - INTRODUCTION

THE OFFER

| PRESENT OFFER IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS | |
|---|--|
| Equity Shares Offered through Public Offer⁽¹⁾⁽²⁾ | Offer of up to 29,03,000 Equity Shares of ₹ 10 each for cash at a price of ₹ [●] (including a Share premium of ₹[●] per Equity Share) per share aggregating to ₹ [●] Lakhs |
| The Offer Consists of : | |
| Fresh Issue | Up to 26,03,000 Equity Shares of ₹ 10 each for cash at a price of ₹ [●] (including a Share premium of ₹ [●] per Equity Share) per share aggregating ₹ [●] lakhs. |
| Offer for sale⁽⁶⁾ | Offer for sale by existing shareholders up to 3,00,000 equity shares of ₹ 10 each at a price of ₹ [●] per equity share aggregating to ₹ [●] lakhs. |
| Out of which: | |
| Offer Reserved for the Market Maker | [●] Equity Shares of ₹ 10 each for cash at a price of ₹ [●] (including a Share premium of ₹[●] per Equity Share) per share aggregating to ₹ [●] Lakhs |
| Net Offer to the Public | [●] Equity Shares of ₹ 10 each for cash at a price of ₹ [●] (including a Share premium of ₹[●] per Equity Share) per share aggregating to ₹ [●] Lakhs |
| Out of which* | |
| A. QIB Portion ⁽⁴⁾⁽⁵⁾ | Not more than [●] Equity Shares of ₹ 10 each for cash at a price of ₹ [●] (including a Share premium of ₹[●] per Equity Share) per share aggregating to ₹ [●] Lakhs |
| Of which | |
| i. Anchor Investor Portion | Upto [●] Equity Shares of ₹ 10 each for cash at a price of ₹ [●] (including a Share premium of ₹[●] per Equity Share) per share aggregating to ₹ [●] Lakhs |
| ii. Net QIB Portion (assuming Anchor Investor Portion is fully subscribed) | Upto [●] Equity Shares of ₹ 10 each for cash at a price of ₹ [●] (including a Share premium of ₹[●] per Equity Share) per share aggregating to ₹ [●] Lakhs |
| Of which | |
| (a) Available for allocation to Mutual Funds only (5% of the Net QIB Portion) | Upto [●] Equity Shares of ₹ 10 each for cash at a price of ₹ [●] (including a Share premium of ₹[●] per Equity Share) per share aggregating to ₹ [●] Lakhs |
| (b) Balance of QIB Portion for all QIBs including Mutual Funds | Upto [●] Equity Shares of ₹ 10 each for cash at a price of ₹ [●] (including a Share premium of ₹[●] per Equity Share) per share aggregating to ₹ [●] Lakhs |
| B. Non-Institutional Portion | Not less than [●] Equity Shares of ₹ 10 each for cash at a price of ₹ [●] (including a Share premium of ₹[●] per Equity Share) per share aggregating to ₹ [●] Lakhs |
| C. Retail Portion | Not less than [●] Equity Shares of ₹ 10 each for cash at a price of ₹ [●] (including a Share premium of ₹[●] per Equity Share) per share aggregating to ₹ [●] Lakhs |
| Pre and Post – Offer Equity Shares | |
| Equity Shares outstanding prior to the Offer | 73,15,420 Equity Shares of face value of ₹ 10 each |
| Equity Shares outstanding after the Offer | [●] Equity Shares of face value of ₹ 10 each |
| Use of Net Proceeds by our Company | Please see the chapter titled “ <i>Objects of the Offer</i> ” on page 92 of this Draft Red Herring Prospectus. |

* Subject to finalisation of the Basis of Allotment. Number of shares may need to be adjusted for lot size upon determination of Offer price.

Notes:

- 1) The Offer is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. This Offer is being made by our company in terms of Regulation of 229 (1) of SEBI ICDR Regulations read with Rule 19(2)(b)(i) of SCRR wherein not less than 25% of the post – Offer paid up equity share capital of our company are being offered to the public for subscription.
- 2) The present Offer has been authorized pursuant to a resolution of our Board dated September 23, 2024 and pursuant to a special resolution of our Shareholders passed in an Extra-Ordinary General Meeting dated September 26, 2024 under Section 62(1)(c) of the Companies Act, 2013.
- 3) The Selling Shareholders have consented to participate in the Offer for Sale in the following manner:

| Name of the Selling Shareholders | Type | Date of Authorization Letter | Equity Shares of face value of ₹ 10 each held as of date of the DRHP | Equity Shares of face value of ₹ 10 each offered by way of Offer for Sale | % of the pre-Offer paid-up Equity Share capital |
|----------------------------------|----------|------------------------------|--|---|---|
| Raghav Somani | Promoter | September 27, 2024 | 30,72,476 | Upto 1,50,000 | 42.00 |
| Priya Somani | Promoter | September 27, 2024 | 30,72,462 | Upto 1,50,000 | 42.00 |

The Selling Shareholders have confirmed that the Equity Shares proposed to be offered and sold in the Offer are eligible in term of SEBI (ICDR) Regulations, 2018 and that they have not been prohibited from dealings in securities market and the Equity Shares offered and sold are free from any lien, encumbrance or third-party rights. The Selling Shareholders have also severally confirmed that they are the legal and beneficial owners of the Equity Shares being offered by them under the Offer for Sale.

- 4) In the event of over-subscription, allotment shall be made on a proportionate basis, subject to valid Bids received at or above the Offer Price. Allocation to investors in all categories, except the Retail Portion, shall be made on a proportionate basis subject to valid bids received at or above the Offer Price. The allocation to each Retail Individual Investor shall not be less than the minimum Bid Lot, and subject to availability of Equity Shares in the Retail Portion, the remaining available Equity Shares, if any, shall be allocated on a proportionate basis.*
- 5) The SEBI ICDR Regulations permit the Offer of securities to the public through the Book Building Process, which states that, not less than 15 % of the Net Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35 % of the Net Offer shall be available for allocation on a proportionate basis to Retail Individual Bidders and not more than 50% of the Net Offer shall be allotted on a proportionate basis to QIBs, subject to valid Bids being received at or above the Offer Price. Accordingly, we have allocated the Net Offer i.e. not more than 50% of the Net Offer to QIB and not less than 35% of the Net Offer shall be available for allocation to Retail Individual Investors and not less than 15% of the Net Offer shall be available for allocation to Non-institutional bidders.*
- 6) Subject to valid Bids being received at or above the Offer Price, undersubscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories of Bidders at the discretion of our Company, in consultation with the Book Running Lead Manager and the Designated Stock Exchange, subject to applicable laws.*
- 7) The Equity Shares being offered by the Selling Shareholders are eligible for being offered for sale as part of the Offer in terms of the SEBI ICDR Regulations. For details of authorizations received for the Offer, see “Other Regulatory and Statutory Disclosures” on page 242.*

For details, including grounds for rejection of Bids, refer to “Offer Structure” and “Offer Procedure” on page 260 and 264, respectively. For details of the terms of the Offer, see “Terms of the Offer” on page 253.

Our Company in consultation with the Book Running Lead Manager, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI (ICDR) Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allotment in the Mutual Fund Portion will be added to the Net QIB Portion and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids. For further details, please refer section titled “Offer Procedure” beginning on page 264 of this Draft Red Herring Prospectus.

SUMMARY OF FINANCIAL INFORMATION

The following tables provide the summary of financial information of our Company derived from the Restated Financial Information as at and for the three months period ended June 30, 2024, and for the Financial Years ended March 31, 2024, 2023 and 2022. The Restated Financial Information referred to above is presented under the section titled “Financial Information” beginning on page 183 of this Draft Red Herring Prospectus. The summary of financial information presented below should be read in conjunction with the Restated Financial Information, the notes thereto and the chapters titled “Financial Information” and “Management’s Discussion and Analysis of Financial Position and Results of Operations” beginning on page 183 and 218, respectively of this Draft Red Herring Prospectus.

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RESTATED STATEMENT OF ASSETS AND LIABILITIES
(₹ in lakhs)

| PARTICULARS | | As at 30 June 2024 | As at 31 March 2024 | As at 31 March 2023 | As at 31 March 2022 |
|-------------|---|-----------------------|------------------------|------------------------|------------------------|
| A) | EQUITY AND LIABILITIES | | | | |
| 1. | <u>Shareholders' Funds</u> | | | | |
| (a) | Share capital | 532.03 | 12.37 | 12.37 | 12.37 |
| (b) | Reserves and surplus | 204.48 | 575.16 | 245.93 | 186.53 |
| | Total (A) | 736.52 | 587.53 | 258.31 | 198.90 |
| 2 | <u>Non Current Liabilities</u> | | | | |
| (a) | Long-term borrowings | 1,053.81 | 616.82 | 813.36 | 353.34 |
| (b) | Deferred Tax liabilities (net) | 16.05 | 14.52 | 16.54 | 16.14 |
| (c) | Long-term provisions | 3.78 | 3.75 | 2.65 | 1.84 |
| | Total (B) | 1,073.64 | 635.09 | 832.56 | 371.32 |
| 3 | <u>Current Liabilities</u> | | | | |
| (a) | Short-term borrowings | 1,015.58 | 676.21 | 522.35 | 350.41 |
| (b) | Trade payables | | | | |
| | (i) total outstanding dues of micro enterprises and small enterprises; and | - | - | - | - |
| | (ii) total outstanding dues of creditors other than micro enterprises and small enterprises | 488.91 | 486.84 | 333.84 | 102.65 |
| (c) | Other current liabilities | 21.37 | 45.15 | 49.76 | 19.11 |
| (d) | Short term provisions | 160.02 | 109.37 | 6.86 | 7.35 |
| | Total (C) | 1,685.89 | 1,317.56 | 912.81 | 479.52 |
| | Total Equity and Liabilities (A+B+C) | 3,496.04 | 2,540.18 | 2,003.68 | 1,049.73 |
| B) | ASSETS | | | | |
| 1. | <u>Non Current Assets</u> | | | | |
| (a) | Property, plant and equipment and Intangible assets | | | | |
| | (i) Property, plant and equipment | 640.58 | 654.34 | 401.73 | 480.23 |
| | (ii) Capital Work in Progress | 176.56 | - | 398.62 | - |
| | | 817.14 | 654.34 | 800.35 | 480.23 |
| (b) | Non-current investments | 2.59 | 2.59 | 27.44 | 8.52 |
| (d) | Long term loans and advances | 74.50 | 57.01 | 46.22 | - |
| | Total (A) | 894.23 | 713.94 | 874.00 | 488.75 |
| 2. | <u>Current Assets</u> | | | | |
| (a) | Inventories | 1,437.96 | 1,313.82 | 851.36 | 275.79 |
| (b) | Trade receivables | 736.46 | 283.49 | 58.95 | 207.41 |
| (c) | Cash and cash equivalents | 20.42 | 87.74 | 10.90 | 5.38 |
| (d) | Short term loans and advances | 389.44 | 122.62 | 195.23 | 54.92 |
| (e) | Other current assets | 17.53 | 18.57 | 13.23 | 17.48 |
| | Total (B) | 2,601.81 | 1,826.24 | 1,129.68 | 560.98 |
| | Total Assets (A+B) | 3,496.04 | 2,540.18 | 2,003.68 | 1,049.73 |

RESTATED STATEMENT OF PROFIT AND LOSS ACCOUNT
(₹ in lakhs)

| PARTICULARS | | For the period ended 30 June 2024 | For the year ended 31 March 2024 | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|-------------|---|---|---|---|---|
| 1 | Income | | | | |
| (a) | Revenue from operations | 742.53 | 2,339.78 | 1,508.87 | 1,356.26 |
| (b) | Other income | 9.38 | 27.26 | 21.38 | 8.38 |
| | Total income | 751.91 | 2,367.04 | 1,530.26 | 1,364.64 |
| 2 | Expenditure | | | | |
| (a) | Cost of raw material consumed | 492.06 | 1,723.80 | 1,398.95 | 786.49 |
| (b) | Changes in inventories of finished goods, work-in-progress and stock-in-trade | (124.14) | (462.45) | (575.57) | (36.78) |
| (c) | Employee benefit expenses | 44.57 | 121.75 | 115.05 | 117.92 |
| (d) | Finance cost | 54.20 | 126.51 | 74.09 | 44.56 |
| (e) | Depreciation & amortization expense | 13.76 | 55.04 | 35.94 | 35.26 |
| (f) | Other expenses | 70.27 | 359.00 | 409.40 | 347.91 |
| | Total expenses | 550.72 | 1,923.65 | 1,457.86 | 1,295.37 |
| 3 | Profit/(Loss) before exceptional and extra ordinary item | 201.19 | 443.39 | 72.40 | 69.27 |
| | Exceptional items | - | - | - | - |
| 4 | Profit/(Loss) before tax (2-4) | 201.19 | 443.39 | 72.40 | 69.27 |
| 5 | Tax expense: | | | | |
| (a) | Tax expense for current year | 50.68 | 116.19 | 12.59 | 12.02 |
| (b) | Deferred tax | 1.53 | (2.03) | 0.41 | (16.12) |
| | Net current tax expenses | 52.21 | 114.17 | 12.99 | (4.10) |
| 6 | Profit/(Loss) for the period from continuing operations (5-6) | 148.98 | 329.23 | 59.41 | 73.37 |
| | Earnings per share | | | | |
| | Restated Basic and Diluted [nominal value of INR 10 per share] | 2.04 | 4.50 | 0.81 | 1.00 |

RESTATED STATEMENT OF CASH FLOWS

(₹ in lakhs)

| PARTICULARS | For the period ended 30 June 2024 | For the year ended 31 March 2024 | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|--|--|--|
| A) Cash Flow From Operating Activities : | | | | |
| Net Profit before tax | 201.19 | 443.39 | 72.40 | 69.27 |
| Adjustment for : | | | | |
| Gratuity Prior period | | | | (1.24) |
| Depreciation | 13.76 | 55.04 | 35.94 | 35.26 |
| Interest income on fixed deposit | (0.87) | (3.77) | (1.49) | (1.96) |
| Interest paid | 54.20 | 126.51 | 74.09 | 44.56 |
| Operating profit before working capital changes | 268.29 | 621.18 | 180.95 | 145.89 |
| | | | | |
| Changes in Working Capital | | | | |
| (Increase)/Decrease in Inventories | (124.14) | (462.45) | (575.57) | (36.78) |
| (Increase)/Decrease in trade receivables | (452.97) | (224.54) | 148.45 | (45.88) |
| (Increase)/Decrease in other current assets | 1.04 | (5.35) | 4.25 | (3.02) |
| Increase/(Decrease) in trade payables | 2.08 | 153.00 | 231.19 | 24.99 |
| Increase/(Decrease) in other current liabilities | (23.77) | (4.61) | 30.65 | 19.11 |
| Increase/(Decrease) in Long term provisions | 0.03 | 1.10 | 0.81 | 1.84 |
| Increase/(Decrease) in short term provisions | 50.65 | 102.51 | (0.49) | (0.51) |
| | (278.80) | 180.83 | 20.24 | 105.63 |
| Direct Tax Paid | (50.68) | (116.19) | (12.59) | (12.02) |
| Cash Flow Before Extraordinary Item | (329.48) | 64.64 | 7.66 | 93.60 |
| Extraordinary Items | - | - | - | - |
| Cash Flow From Operating Activities | (329.48) | 64.64 | 7.66 | 93.60 |
| | | | | |
| B) Cash Flow From Investing Activities : | | | | |
| Purchase/Sale of Property, Plant and Equipment net of subsidy | - | 90.96 | 42.56 | (65.81) |
| Capital work in progress | (176.56) | - | (398.62) | |
| (Increase)/Decrease in short term loans & advances | (266.83) | 72.62 | (140.31) | (33.79) |
| (Increase)/Decrease in Non- current investment | - | 24.85 | (18.92) | (8.52) |
| (Increase)/Decrease in Long term loans & advances | (17.50) | (10.79) | (46.22) | - |
| Interest income on fixed deposit | 0.87 | 3.77 | 1.49 | 1.96 |
| Net cash flow from investing activities | (460.01) | 181.40 | (560.02) | (106.15) |
| | | | | |
| C) Cash Flow From Financing Activities : | | | | |
| Increase/(Decrease) in long term borrowings | 436.99 | (196.54) | 460.02 | (61.26) |
| Increase/(Decrease) in short term borrowings | 339.37 | 153.85 | 171.95 | 100.91 |
| Interest Paid | (54.20) | (126.51) | (74.09) | (44.56) |
| Net cash flow from financing activities | 722.16 | (169.20) | 557.88 | (4.91) |
| | | | | |
| Net Increase/(Decrease) In Cash & Cash Equivalents | (67.33) | 76.84 | 5.52 | (17.46) |
| Cash equivalents at the beginning of the year | 87.74 | 10.90 | 5.38 | 22.84 |
| Cash equivalents at the end of the year | 20.41 | 87.74 | 10.90 | 5.38 |

GENERAL INFORMATION

Our Company 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 of our Company

Sawaliya Food Products Limited

Survey No. 9/2/1/2 Gavla,
Tehsil Pithampur, Dhar - 454 775,
Madhya Pradesh, India.

Telephone: +91 877 032 6514

Facsimile: N.A.

E-mail: info@sawaliyafood.com

Investor grievance id: investor.grievance@sawaliyafood.com

Website: www.sawaliyafood.com

CIN: U15400MP2014PLC032843

As on date of this Draft Red Herring Prospectus, our Company does not have a corporate office.

Registrar of Companies

Our Company is registered with the Registrar of Companies, Madhya Pradesh at Gwalior situated at the following address:

Registrar of Companies, Madhya Pradesh at Gwalior

3rd Floor, ‘A’ Block, Sanjay Complex,
Jayendra Ganj, Gwalior - 474 009,
Madhya Pradesh, India

Board of Directors of our Company

Set forth below are the details of our Board of Directors as on the date of this Draft Red Herring Prospectus:

| S. No. | Name | Designation | DIN | Address |
|--------|------------------------------|--------------------------------|----------|---|
| 1. | Raghav Somani | Chairman and Managing Director | 06770088 | 402, Navratna Galaxy, 95 Gumasta Nagar, Indore – 452 009, Madhya Pradesh, India |
| 2. | Priya Somani | Whole-time director | 10630638 | 402, Navratna Galaxy, 95 Gumasta Nagar, Indore – 452 009, Madhya Pradesh, India |
| 3. | Kartavya Kumar Chitlangya | Non-Executive Director | 09281531 | 08, Vasant Vihar Colony, Behind Lokmanya Nagar Shopping Complex, Sudama Nagar, Indore – 452 009, Madhya Pradesh, India. |
| 4. | Ravikant Gupta | Independent Director | 02041825 | 49-A, Prime City, Dhannalal Dharmshala, Sukhliya, Indore – 452 010, Madhya Pradesh, India. |
| 5. | Shweta Bhamare | Independent Director | 10499418 | 179 Padmalay Colony, Near Chhota Bangarda, Indore – 452 006, Madhya Pradesh, India. |

For detailed profile of our Directors, please refer to the chapter titled “*Our Management*” on page 164 of the Draft Red Herring Prospectus.

Chief Financial Officer

Pankaj Neema, is the Chief Financial Officer of our Company. His contact details are set forth hereunder:

Survey No. 9/2/1/2 Gavla,
Tehsil Pithampur, Dhar - 454 775,
Madhya Pradesh, India.
Telephone: +91 877 032 6514
Facsimile: N.A.
E-mail: cfo@sawaliyafood.com

Company Secretary and Compliance Officer

Namita Singh Rathour, is the Company Secretary and Compliance Officer of our Company. Her contact details are set forth hereunder.

Survey No. 9/2/1/2 Gavla,
Tehsil Pithampur, Dhar - 454 775,
Madhya Pradesh, India.
Telephone: +91 877 032 6514
Facsimile: N.A.
E-mail: cs@sawaliyafood.com

Investor grievances

Investors can contact the Company Secretary and Compliance Officer, the Book Running Lead Manager or the Registrar to the Offer in case of any pre-Offer or post-Offer related grievances, such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders or non-receipt of funds by electronic mode, etc.

All Offer related grievances, other than that of Anchor Investors, may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary(ies) to whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or First Bidder, Bid cum Application Form number, Bidder’s DP ID, Client ID, UPI ID, PAN, date of submission of the Bid cum Application Form, address of the Bidder, number of Equity Shares applied for, the name and address of the Designated Intermediary(ies) where the Bid cum Application Form was submitted by the Bidder and ASBA Account number (for Bidders other than UPI Bidders using the UPI Mechanism) in which the amount equivalent to the Bid Amount was blocked or the UPI ID in case of UPI Bidders using the UPI Mechanism. Further, the Bidder shall also enclose a copy of the Acknowledgment Slip or provide the acknowledgement number received from the Designated Intermediary(ies) in addition to the information mentioned hereinabove.

In terms of SEBI Master Circular, SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, and SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and subject to applicable law, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days. Further, the investors shall be compensated by the SCSBs at the rate higher of ₹ 100 or 15% per annum of the application amount in the events of delayed or withdrawal of applications, blocking of multiple amounts for the same UPI application, blocking of more amount than the application amount, delayed unblocking of amounts for non-allotted/partially-allotted applications for the stipulated period. In an event there is a delay in redressal of the investor grievance in relation to unblocking of amounts, the Book Running Lead Manager shall compensate the investors at the rate higher of ₹ 100 or 15% per annum of the application amount. Further, in terms of SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, the payment of processing fees to the SCSBs shall be undertaken pursuant to an application made by the SCSBs to the BRLM, and such application shall be made only after (i) unblocking of application amounts for each application received by the SCSB has been fully completed, and (ii) applicable compensation relating to investor complaints has been paid by the SCSB.

All grievances relating to Bids submitted through Registered Brokers may be addressed to the Stock Exchange with a copy to the Registrar to the Offer. The Registrar to the Offer shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders.

All Offer-related grievances of the Anchor Investors may be addressed to the Registrar to the Offer giving full details such as the name of the sole or First Bidder, Anchor Investor Application Form number, Bidders' DP ID, Client ID, PAN, date of the Anchor Investor Application Form, address of the Bidder, number of the Equity Shares applied for, Bid Amount paid on submission of the Anchor Investor Application Form and the name and address of the Book Running Lead Manager where the Anchor Investor Application Form was submitted by the Anchor Investor.

Details of Key Intermediaries pertaining to this Offer of our Company:

Book Running Lead Manager

Unistone Capital Private Limited

A/ 305, Dynasty Business Park,
Andheri-Kurla Road, Andheri East,
Mumbai – 400 059, Maharashtra, India.

Telephone: +91 224 604 6494

Facsimile: N.A.

Email: mb@unistonecapital.com

Investor grievance email: compliance@unistonecapital.com

Contact Person: Brijesh Parekh

Website: www.unistonecapital.com

SEBI Registration number: INM000012449

CIN: U65999MH2019PTC330850

Registrar to the Offer

Skyline Financial Services Private Limited

D-153 A, 1st Floor, Okhla Industrial Area,
Phase-I, New Delhi – 110 020, Delhi, India.

Telephone: +91 011 2681 2683

Facsimile: N.A.

E-mail/ Investor grievance email: ipo@skylinerta.com

Website: www.skylinerta.com

Contact Person: Anuj Rana

SEBI Registration No.: INR000003241

CIN: U74899DL1995PTC071324

Legal Advisor to the Offer

T&S Law

Unit Number 15, Logix Technova,
Block B, Sector 132, Noida – 201 304,
Uttar Pradesh, India.

Telephone: +91 120 666 1348

Facsimile: N.A.

Email: info@tandslaw.in

Contact Person: Sagarika Kapoor

Statutory and Peer Review Auditor of our Company

M/s. Maheshwari and Gupta,

Chartered Accountants
312-314, Manas Bhawan, Ext.,
11/2 R.N.T. Marg, Indore – 452 001,
Madhya Pradesh, India.

Telephone: +91 731 405 0760

Email: sunilrmaaheshwari@gmail.com
Contact Person: C.A. Sunil Maheshwari
Membership No.: 403346
Firm Registration No.: 006179C
Peer Review Certificate No.: 017845

Bankers to our Company

State Bank of India

SME Khelprashal Branch, 2nd Floor,
SBI AO Building, Infront of High Court,
YN Road, Indore – 452 003,
Madhya Pradesh, India.

Telephone: +91 999 931 5614

Facsimile: N.A.

Website: www.onlinesbi.sbi

Email: yuvraj.suryavanshi@sbi.co.in

Contact Person: Shri Yuvraj Suryavanshi

Banker to the Offer

The Banker(s) to the Offer shall be appointed prior to filing of the Red Herring Prospectus.

Refund Bank

The Refund Bank(s) shall be appointed prior to filing of the Red Herring Prospectus.

Sponsor Bank

The Sponsor Bank(s) shall be appointed prior to filing of the Red Herring Prospectus.

Share Escrow Agent

The Share Escrow Agent shall be appointed prior to filing of the Red Herring Prospectus.

Syndicate Member

The Syndicate Member(s) shall be appointed prior to filing of the Red Herring Prospectus.

Designated Intermediaries

Self-Certified Syndicate Banks (SCSB's)

The list of SCSBs, as updated till date, is available on website of Securities and Exchange Board of India at below link.

<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34;>

<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35>

Investors are requested to refer the SEBI website for updated list of SCSBs and their designated branches.

Self-Certified Syndicate Banks eligible as Sponsor Banks for UPI

The list of Self Certified Syndicate Banks that have been notified by SEBI to act as Investors Bank or Issuer Bank for UPI mechanism are provide on the website of SEBI on

<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=41>

Syndicate SCSB Branches

In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, Retail Individual Investors Applying using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI

(<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>) and updated from time to time. A list of SCSBs and mobile applications, which are live for applying in public issues using UPI mechanism is provided as 'Annexure A' for the SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, as amended.

Registered Brokers

The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the website of the Stock Exchange, at NSE at www.nseindia.com as updated from time to time

Registrar and Share Transfer Agents

The list of the Registrar to Offer and Share Transfer Agents (RTAs) eligible to accept Applications forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, are provided at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=10>, as updated from time to time.

Collecting Depository Participants (CDP's)

The list of the Collecting Depository Participants (CDPs) eligible to accept Application Forms at the Designated CDP Locations, including details such as name and contact details, are provided at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=19> for NSDL CDPs and at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=18> for CDSL CDPs, as updated from time to time. The list of branches of the SCSBs named by the respective SCSBs to receive deposits of the Bid cum Application Forms from the Designated Intermediaries will be available on the website of the SEBI (www.sebi.gov.in) and updated from time to time.

IPO Grading

No credit agency registered with SEBI has been appointed for grading for the Offer.

Credit Rating

As this is an Offer of Equity Shares, credit rating is not required.

Green Shoe Option

No Green Shoe Option is applicable for this Offer.

Brokers to the Offer

All members of the recognized stock exchanges would be eligible to act as Brokers to the Offer.

Debenture Trustees

As this is an Offer of Equity Shares, the appointment of Debenture trustees is not required.

Monitoring Agency

As the Net Proceeds of the Offer will be less than ₹10,000 lacs, under the SEBI ICDR Regulations, it is not required that a monitoring agency be appointed by our Company.

Appraising Entity

None of the objects for which the Net Proceeds will be utilised have been appraised by any agency.

Expert Opinion

Except as stated below, our Company has not obtained any expert opinions:

Our Company has received written consent dated October 9, 2024 from the Statutory Auditors to include their name as required under Section 26(5) of the Companies Act 2013 read with SEBI ICDR Regulations in this Draft Red Herring Prospectus as an “expert” as defined under Section 2(38) of the Companies Act 2013 to the extent and in its capacity as an independent Statutory Auditor and in respect of its (i) examination report dated September 23, 2024 on our Restated Financial Information; and (ii) its report dated October 9, 2024 on the statement of special tax benefits in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

Our Company has received written consent dated October 2, 2024 from Mayank Maithil, Independent Chartered Engineer, to include their name as required under section 26 (5) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an “expert” as defined under section 2(38) of the Companies Act, 2013, in relation to and for the inclusion of (i) the certificate dated September 28, 2024 issued to certify the proposed capacity expansion in our current manufacturing unit; and (ii) certificate dated September 28, 2024 issued to certify the installed capacity and capacity utilization at our current manufacturing unit situated in Madhya Pradesh. We confirm that such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus, however, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act.

Inter-se Allocation of Responsibilities

Unistone Capital Private Limited, being the sole Book Running Lead Manager will be responsible for all the responsibilities related to co-ordination and other activities in relation to the Offer. Hence, a statement of inter se allocation of responsibilities is not required.

Filing

The Draft Red Herring Prospectus will not be filed with SEBI, nor will SEBI issue any observation on the Offer Document in terms of Regulation 246 (2) of SEBI ICDR Regulations. Pursuant to SEBI Master Circular, a copy of the Red Herring Prospectus/ Prospectus will be filed online through SEBI Intermediary Portal at <https://siportal.sebi.gov.in>. Further, a copy of Red Herring Prospectus/ Prospectus, will also be filed with the Emerge Platform of National Stock Exchange of India Limited, where the Equity Shares are proposed to be listed.

A copy of the Red Herring Prospectus, along with the material contracts, documents and the Prospectus will also be filed with the RoC under Section 26 and Section 32 of the Companies Act, 2013 and through the electronic portal at <http://www.mca.gov.in/mcafoportal/logininvalidateuser.do>.

Changes in Auditors during the last three years

Except as stated below, there has not been any change in the Statutory Auditor of our Company in last three years.

| Name of Auditor | Date of Change | Reason for change |
|--|-----------------------|--|
| Nirza Gattani & Associates, Chartered Accountants 5/17, Mahesh Nagar, Indore – 452 002, Madhya Pradesh, India Telephone: +91 982 736 8830 Email Id: canirzagattani@gmail.com Contact Person: Nirza Gattani Membership No.: 414551 Firm Registration No.: 018035C | July 20, 2024 | Resigned from the post of Statutory Auditor on account of pre-occupation |
| M/s Maheshwari and Gupta, Chartered Accountants 312-314, Manas Bhawan, Ext., 11/2 R.N.T. Marg, Indore – 452 001, Madhya Pradesh, India. Telephone: +91 731 405 0760 Email: sunilrmareshwari@gmail.com Contact Person: C.A. Sunil Maheshwari Membership No.: 403346 Firm Registration No.: 006179C Peer Review Certificate No.: 017845 | July 21, 2024 | Statutory Auditor appointed to fill the casual vacancy caused on account of resignation of the <i>erstwhile</i> auditor. |
| | July 26, 2024 | Appointment of M/s. Maheshwari and Gupta, Chartered Accountants, as the statutory auditor of our Company for a period of five years. |

BOOK BUILDING PROCESS

Book Building, with reference to the Offer, refers to the process of collection of Bids on the basis of the Red Herring Prospectus within the Price Band. The Price Band shall be determined by our Company in consultation with the Book Running Lead Manager in accordance with the Book Building Process and advertised in all editions of the [●], an English national newspaper, all editions of [●], a Hindi national newspaper and [●] editions of the Hindi Daily newspaper, [●] (Hindi, being the regional language of Madhya Pradesh, where our Registered Office is situated) at least two working days prior to the Bid/Offer Opening date. The Offer Price shall be determined by our Company in consultation with the Book Running Lead Manager in accordance with the Book Building Process after the Bid/Offer Closing Date.

Principal parties involved in the Book Building Process are-

- Our Company;
- The Book Running Lead Manager, in this case being Unistone Capital Private Limited;
- The Syndicate Member(s) who are intermediaries registered with SEBI / registered as brokers with National Stock Exchange of India Limited and eligible to act as Underwriters. The Syndicate Member(s) will be appointed by the Book Running Lead Manager;
- The Registrar to the Offer, in this case being Skyline Financial Services Private Limited;
- The Escrow Collection Banks/ Bankers to the Offer and
- The Designated Intermediaries and Sponsor bank

The SEBI ICDR Regulations have permitted the Offer of securities to the public through the Book Building Process, wherein allocation to the public shall be made as per Regulation 253 of the SEBI ICDR Regulations.

The Offer is being made through the Book Building Process wherein 50% of the Net Offer shall be available for allocation on a proportionate basis to QIBs, provided that our Company may in consultation with the BRLM allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI (ICDR) Regulations (the “**Anchor Investor Portion**”), out of which one third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Offer Price. 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Net Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Offer shall be available for allocation to Retail Individual Bidders, in accordance with the SEBI Regulations, subject to valid Bids being received at or above the Offer Price.

All potential Bidders may participate in the Offer through an ASBA process by providing details of their respective bank account which will be blocked by the SCSBs. All Bidders are mandatorily required to utilize the ASBA process to participate in the Offer. Under-subscription if any, in any category, except in the QIB Category, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company in consultation with the BRLM and the Designated Stock Exchange.

All Bidders, other than Anchor Investors are mandatorily required to use the ASBA process by providing the details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by the SCSBs or, in the case of UPI Bidders, by using the UPI Mechanism. Anchor Investors are not permitted to participate in the Offer through the ASBA process.

In accordance with the SEBI ICDR Regulations, QIB and Non-Institutional Bidders are not allowed to withdraw or lower the size of their Bids (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. Anchor Investors are not allowed to revise and withdraw their Bids after the Anchor Investor Bidding Date. Retail Individual Bidders can revise their Bids during the Bid/Offer Period and withdraw their Bids until the Bid/Offer Closing Date.

Subject to valid Bids being received at or above the Offer Price, allocation to all categories in the Net Offer, shall be made on a proportionate basis, except for Retail Portion where allotment to each Retail Individual Bidders shall not be less than the minimum bid lot, subject to availability of Equity Shares in Retail Portion, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis. Under – subscription, if any, in any category, would be allowed to be met with spill – over from any other category or a combination of categories at the discretion of our Company in consultation with the Book Running Lead Manager and the Stock Exchange. However, under – subscription, if any, in the QIB Portion will not be allowed to be met with spill over from other categories or a combination of categories.

In terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors applying in a public Offer shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self Certified Syndicate Banks (SCSBs) for the same. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, Retail Individual Investors applying in public Offer may

use either Application Supported by Blocked Amount (ASBA) facility for making application or also can use UPI as a payment mechanism with Application Supported by Blocked Amount for making application. For details in this regards, specific attention is invited to the chapter titled “Offer Procedure” beginning on page 264 of the Draft Red Herring Prospectus.

The process of Book Building under the SEBI ICDR Regulations is subject to change from time to time and the investors are advised to make their own judgment about investment through this process prior to making a Bid or application in the Offer.

For further details on the method and procedure for Bidding, please see section entitled “Offer Procedure” on page 264 of this Draft Red Herring Prospectus.

Illustration of the Book Building and Price Discovery Process: Bidders should note that this example is solely for illustrative purposes and is not specific to the Offer. Bidders can bid at any price within the Price Band. For instance, assume a Price Band of ₹20 to ₹ 24 per share, Offer size of 3,000 Equity Shares and receipt of five Bids from Bidders, details of which are shown in the table below. The illustrative book given below shows the demand for the Equity Shares of the Issuer at various prices and is collated from Bids received from various investors.

| Bid Quantity | Bid Amount (₹) | Cumulative Quantity | Subscription |
|--------------|----------------|---------------------|--------------|
| 500 | 24 | 500 | 16.67% |
| 1,000 | 23 | 1,500 | 50.00% |
| 1,500 | 22 | 3,000 | 100.00% |
| 2,000 | 21 | 5,000 | 166.67% |
| 2,500 | 20 | 7,500 | 250.00% |

The price discovery is a function of demand at various prices. The highest price at which the Issuer is able to Offer the desired number of Equity Shares is the price at which the book cuts off, i.e., ₹ 22.00 in the above example. The Company in consultation with the BRLM, may finalise the Offer Price at or below such Cut-Off Price, i.e., at or below ₹ 22.00. All Bids at or above this Offer Price and cut-off Bids are valid Bids and are considered for allocation in the respective categories.

Steps to be taken by the Bidders for Bidding:

- Check eligibility for making a Bid (see section titled “Offer Procedure” on page 264 of this Draft Red Herring Prospectus);
- Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid cum Application Form;
- Ensure correctness of your PAN, DP ID and Client ID mentioned in the Bid cum Application Form. Based on these parameters, the Registrar to the Offer will obtain the Demographic Details of the Bidders from the Depositories.
- Except for Bids on behalf of the Central or State Government officials, residents of Sikkim and the officials appointed by the courts, who may be exempt from specifying their PAN for transacting in the securities market, for Bids of all values ensure that you have mentioned your PAN allotted under the Income Tax Act in the Bid cum Application Form. The exemption for Central or State Governments and officials appointed by the courts and for investors residing in Sikkim is subject to the Depository Participant’s verification of the veracity of such claims of the investors by collecting sufficient documentary evidence in support of their claims.
- Ensure that the Bid cum Application Form is duly completed as per instructions given in this Draft Red Herring Prospectus and in the Bid cum Application Form;

Bid/Offer Program:

| Event | Indicative Dates |
|---|------------------|
| Bid/Offer Opening Date ⁽¹⁾ | [●] |
| Bid/Offer Closing Date ⁽²⁾ | [●] |
| Finalization of Basis of Allotment with the Designated Stock Exchange | On or before [●] |
| Initiation of Allotment / Refunds / Unblocking of Funds from ASBA Account or UPI ID linked bank account | On or before [●] |
| Credit of Equity Shares to Demat accounts of Allottees | On or before [●] |
| Commencement of trading of the Equity Shares on the Stock Exchange | On or before [●] |

⁽¹⁾Our Company in consultation with the Book Running Lead Manager may 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 in accordance with the SEBI (ICDR) Regulations.

⁽²⁾Our Company in consultation with the BRLM, may decide to close the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date, in accordance with the SEBI (ICDR) Regulations.

The above timetable is indicative and does not constitute any obligation on our Company or the Book Running Lead Manager. Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchange are taken within 3 Working Days of the Bid/Offer Closing Date, the timetable may change due to various factors, such as extension of the Bid/ Offer Period by our Company, revision of the Price Band or any delays in receiving the final listing and trading approval from the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws. SEBI pursuant to its circular bearing reference number SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 has reduced the time taken for listing of specified securities after the closure of public issue to 3 working days (T+3 days) as against the present requirement of 6 working days (T+6 days); 'T' being issue closing date. Our Company shall follow the timelines provided under the aforementioned circular.

Bid Cum Application Forms and any revisions to the same will be accepted only between 10.00 a.m. to 5.00 p.m. (IST) during the Offer Period (except for the Bid/Offer Closing Date). On the Bid/ Offer Closing Date, the Bid Cum Application Forms will be accepted only between 10.00 a.m. to 3.00 p.m. (IST) for retail and non-retail Bidders. The time for applying for Retail Individual Applicant on Bid/ Offer Closing Date maybe extended in consultation with the BRLM, RTA and National Stock Exchange of India Limited Emerge taking into account the total number of applications received up to the closure of timings.

Due to the limitation of time available for uploading the Bid Cum Application Forms on the Bid/ Offer Closing Date, Bidders are advised to submit their applications one (1) day prior to the Bid/ Offer Closing Date and, in any case, not later than 3.00 p.m. (IST) on the Bid/ Offer Closing Date. Any time mentioned in this Draft Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bid Cum Application Forms are received on the Bid/Offer Closing Date, as is typically experienced in public Offer, some Bid Cum Application Forms may not get uploaded due to the lack of sufficient time. Such Bid Cum Application Forms that cannot be uploaded will not be considered for allocation under this Offer. Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holidays). Neither our Company nor the BRLM is liable for any failure in uploading the Bid Cum Application Forms due to faults in any software/hardware system or otherwise.

In accordance with SEBI ICDR Regulations, QIBs and Non-Institutional Applicants are not allowed to withdraw or lower the size of their Application (in terms of the quantity of the Equity Shares or the Application amount) at any stage. Retail Individual Applicants can revise or withdraw their Bid Cum Application Forms prior to the Bid/ Offer Closing Date. Allocation to Retail Individual Applicants, in this Offer will be on a proportionate basis.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid Cum Application Form, for a particular Applicant, the details as per the file received from Stock Exchange may be taken as the final data for the purpose of Allotment. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Bid Cum Application Form, for a particular ASBA Applicant, the Registrar to the Offer shall ask the relevant SCSBs / RTAs / DPs / stock brokers, as the case may be, for the rectified data.

WITHDRAWAL OF THE OFFER

Our Company and the Selling Shareholders in consultation with the BRLM, reserve the right to not to proceed with the Offer at any time before the Bid/ Offer Opening Date without assigning any reason thereof. If our Company withdraws the Offer any time after the Bid/ Offer Opening Date but before the allotment of Equity Shares, a public notice within 2 (two) working days of the Bid/ Offer Closing Date, providing reasons for not proceeding with the Offer shall be issued by our Company. The notice of withdrawal will be issued in the same newspapers where the pre- Offer advertisements have appeared and the Stock Exchange will also be informed promptly.

The BRLM, through the Registrar to the Offer, will instruct the SCSBs to unblock the ASBA Accounts within 1 (one) working Day from the day of receipt of such instruction.

If our Company withdraws the Offer after the Bid/ Offer Closing Date and subsequently decides to proceed with an Offer of the Equity Shares, our Company will have to file a fresh Draft Red Herring Prospectus with the stock exchange where the Equity Shares may be proposed to be listed.

Notwithstanding the foregoing, the Offer is subject to obtaining (i) the final listing and trading approvals of the Stock Exchange with respect to the Equity Shares offered through the Red Herring Prospectus, which our Company will apply for only after Allotment; and (ii) the registration of Red Herring Prospectus/ Prospectus with RoC.

UNDERWRITING AGREEMENT

The Company and the Book Running Lead Manager to the Offer hereby confirm that the Offer will be 100% Underwritten by the Underwriters [•].

Pursuant to the terms of the Underwriting Agreement dated [●] entered into by Company, Underwriters, the obligations of the Underwriters are subject to certain conditions specified therein. The Details of the Underwriting commitments are as under:

| Details of the Underwriters | No. of shares underwritten* | Amount Underwritten (₹ in Lakh) | % of the total Offer Size Underwritten |
|-----------------------------|-----------------------------|---------------------------------|--|
| [●] | [●] | [●] | [●] |

*Includes [●] Equity shares of ₹10.00 each for cash of ₹ [●]-/- the Market Maker Reservation Portion which are to be subscribed by the Market Maker in its own account in order to claim compliance with the requirements of Regulation 261 of the SEBI (ICDR) Regulations, as amended.

(The Underwriting Agreement has not been executed as on the date of this Draft Red Herring Prospectus. Specific details mentioned above have been intentionally left blank and will be filled in before, and this portion will be applicable upon the execution of the Underwriting Agreement and filing of the Prospectus with the RoC, as applicable.)

In the opinion of our Board of Directors (based on a certificate given by the Underwriter), the resources of the above-mentioned Underwriter is sufficient to enable it to discharge its underwriting obligation in full. The above mentioned Underwriter is registered with SEBI under Section 12(1) of the SEBI Act and registered as brokers with the Stock Exchanges.

DETAILS OF THE MARKET MAKING ARRANGEMENT FOR THIS OFFER

Our Company has entered into a Market Making Agreement dated [●] with the following Market Maker for fulfilling the Market Making obligations under this Offer:

| Particulars | Details of the Market Maker |
|-------------|-----------------------------|
| [●] | [●] |

In accordance with Regulation 261 of the SEBI ICDR Regulations, our Company and the Selling Shareholders have entered into an agreement with the Book Running Lead Manager and the Market Maker (duly registered with National Stock Exchange of India Limited to fulfil the obligations of Market Making) dated [●] to ensure compulsory Market Making for a minimum period of three years from the date of listing of equity shares offered in this Issuer.

[●], registered with EMERGE Platform of National Stock Exchange of India Limited will act as the Market Maker and has agreed to receive or deliver of the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for a period as may be notified by any amendment to SEBI ICDR Regulations.

The Market Maker shall fulfil the applicable obligations and conditions as specified in the SEBI ICDR Regulations, as amended from time to time and the circulars issued by National Stock Exchange of India Limited and SEBI in this matter from time to time.

Following is a summary of the key details pertaining to the Market Making Arrangement:

1. The Market Maker shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the Stock Exchange. Further, the Market Maker shall inform the Stock Exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker.
2. The minimum depth of the quote shall be ₹ 1,00,000. However, the Investors with holdings of value less than ₹ 1,00,000 shall be allowed to offer their holding to the Market Maker in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.
3. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker, for the quotes given by him.
4. After a period of three (3) months from the market making period, the market maker would be exempted to provide quote if the Shares of market maker in our Company reaches to 25% of Offer Size (Including the [●] Equity Shares of face value of ₹ 10 each ought to be allotted under this Offer). Any Equity Shares allotted to Market Maker under this Offer over and above [●] Equity Shares of face value of ₹ 10 each would not be taken in to consideration of computing the threshold of 25% of Offer Size. As soon as the Shares of market maker in our Company reduce to 24% of Offer Size, the market maker will resume providing 2-way quotes.
5. There shall be no exemption/threshold on downside. However, in the event the Market Maker exhausts his inventory through market making process, National Stock Exchange of India Limited may intimate the same to SEBI after due verification.
6. There would not be more than five Market Maker for the Company's Equity Shares at any point of time and the Market Maker may compete with other Market Maker for better quotes to the investors.

7. On the first day of the listing, there will be pre-opening session (call auction) and there after the trading will happen as per the equity market hours. The circuits will apply from the first day of the listing on the discovered price during the pre-open call auction. In case equilibrium price is not discovered the price band in the normal trading session shall be based on Offer price.
8. The Marker Maker may also be present in the opening call auction, but there is no obligation on him to do so.
9. There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily / fully from the market – for instance due to system problems, any other problems. All controllable reasons require prior approval from the Exchange, while force-majeure will be applicable for non-controllable reasons. The decision of the Exchange for deciding controllable and non-controllable reasons would be final.
10. The Market Maker shall have the right to terminate said arrangement by giving one month notice or on mutually acceptable terms to the Book Running Lead Manager, who shall then be responsible to appoint a replacement Market Maker.

In case of termination of the above mentioned Market Making agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the Lead Manager to arrange for another Market Maker(s) in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of Regulation 261 of the SEBI (ICDR) Regulations. Further the Company and the Lead Manager reserve the right to appoint other Market Maker(s) either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed 5 (five) or as specified by the relevant laws and regulations applicable at that particular point of time.

11. **Risk containment measures and monitoring for Market Maker:** EMERGE Platform of National Stock Exchange of India Limited will have all margins which are applicable on the National Stock Exchange of India Limited Main Board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. National Stock Exchange of India Limited can impose any other margins as deemed necessary from time-to-time.
12. **Punitive Action in case of default by Market Maker:** EMERGE Platform of National Stock Exchange of India Limited will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and / or non-compliances. Penalties / fines may be imposed by the Exchange on the Market Maker, in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties / fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker in case he is not present in the market (offering two way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities / trading membership.
13. The Department of Surveillance and Supervision of the Exchange would decide and publish the penalties / fines / suspension for any type of misconduct / manipulation / other irregularities by the Market Maker from time to time.
14. Price Band and Spreads: SEBI Circular bearing reference no: CIR/MRD/DP/ 02/2012 dated January 20, 2012, has laid down that for Offer size up to ₹ 250 crores, the applicable price bands for the first day shall be:
 - a. In case equilibrium price is discovered in the Call Auction, the price band in the normal trading session shall be 5% of the equilibrium price.
 - b. In case equilibrium price is not discovered in the Call Auction, the price band in the normal trading session shall be 5% of the Offer price.
15. Additionally, the securities of the Company will be placed in SPOS and would remain in Trade for Trade settlement for first 10 days from commencement of trading. The following spread will be applicable on the SME platform.

| S. No. | Market Price Slab (in Rs.) | Proposed Spread (in % to sale price) |
|--------|----------------------------|--------------------------------------|
| 1. | Up to 50 | 9 |
| 2. | 50 to 75 | 8 |
| 3. | 75 to 100 | 6 |
| 4. | Above 100 | 5 |

All the above mentioned conditions and systems regarding the Market Making Arrangement are subject to change based on changes or additional regulations and guidelines from SEBI and Stock Exchange from time to time.

16. Pursuant to SEBI Circular number CIR/MRD/DSA/31/2012 dated November 27, 2012, limits on the upper side for market makers during market making process has been made applicable, based on the Offer size and as follows:

| Offer Size | Buy quote exemption threshold (including mandatory initial inventory of 5% of the Offer size) | Re-Entry threshold for buy quote (including mandatory initial inventory of 5% of the Offer size) |
|------------------------|--|---|
| Upto ₹20 Crore | 25% | 24% |
| ₹20 Crore to ₹50 Crore | 20% | 19% |
| ₹50 Crore to ₹80 Crore | 15% | 14% |
| Above ₹80 Crore | 12% | 11% |

The Market Making arrangement, trading and other related aspects including all those specified above shall be subject to the applicable provisions of law and / or norms issued by SEBI / National Stock Exchange of India Limited from time to time.

All the above mentioned conditions and systems regarding the Market Making Arrangement are subject to change based on changes or additional regulations and guidelines from SEBI and Stock Exchange from time to time.

CAPITAL STRUCTURE

The share capital of our Company as on date of this Draft Red Herring Prospectus is set forth below:

(₹ in lakhs, except share data)

| Sr. No. | Particulars | Aggregate Value at Nominal Value | Aggregate Value at Offer Price |
|---------|---|----------------------------------|--------------------------------|
| A. | Authorised Share Capital out of which : | | |
| | 1,21,25,000 Equity Shares having face value of ₹ 10/- each ⁽¹⁾ | 1,212.50 | - |
| B. | Issued, Subscribed and Paid-up Share Capital before the Offer out of which | | |
| | 73,15,420 Equity Shares having face value of ₹ 10/- each | 731.54 | - |
| C. | Present Offer in terms of this Draft Red Herring Prospectus⁽²⁾⁽⁴⁾ | | |
| | Offer of up to 29,03,000 Equity Shares of ₹ 10/- each at a price of ₹ [•] per Equity Share | [•] | [•] |
| | The Offer Consists of : | | |
| | Up to 26,03,000 Equity Shares of ₹ 10 each for cash at a price of ₹ [•] (including a Share premium of ₹ [•] per Equity Share) per share aggregating ₹ [•] lakhs. | [•] | [•] |
| | Offer for sale by the Selling Shareholders of up to 3,00,000 equity shares of ₹ 10 each at a price of ₹ [•] per equity share aggregating to ₹ [•] lakhs. ⁽²⁾ | [•] | [•] |
| D. | Paid-up Share Capital after the Offer | | |
| | [•] Equity Shares of ₹ 10/- each | | [•] |
| E. | Securities Premium Account | | |
| | Before the Offer | | Nil |
| | After the Offer | | [•] |

(1) For details in change in Authorised Share Capital of our Company, please refer to "History and Certain Corporate Matters - Amendments to the Memorandum of Association" on page 160 of this Draft Red Herring Prospectus.

(2) The present Offer has been authorized pursuant to a resolution of our Board dated September 23, 2024 and pursuant to a special resolution of our Shareholders passed in an Extra-Ordinary General Meeting dated September 26, 2024 under Section 62(1)(c) of the Companies Act, 2013.

(3) The Equity Shares being offered by each of the Selling Shareholders are eligible to be offered for sale pursuant to the Offer for Sale in terms of the SEBI ICDR Regulations. Each of the Selling Shareholder has, severally and not jointly, consented to the sale of their respective portion of the Offered Shares in the Offer for Sale. For further details on the authorizations of the Selling Shareholders in relation to the Offered Shares, see the sections titled "The Offer" and "Other Regulatory and Statutory Disclosures" on pages 63 and 242, respectively.

(4) Allocation to all categories shall be made on a proportionate basis subject to valid Applications received at or above the Offer Price. Under-subscription, if any, in any of the categories, would be allowed to be met with spill-over from any of the other categories or a combination of categories at the discretion of our Company in consultation with the Book Running Lead Manager and Designated Stock Exchange. Such inter-se spill over, if any, would be affected in accordance with applicable laws, rules, regulations and guidelines.

Classes of Shares

Our Company has only one class of share capital i.e., Equity Shares of face value of ₹ 10/- each only. All the issued Equity Shares are fully paid-up. Our Company has no outstanding convertible instruments as on the date of this Draft Red Herring Prospectus.

NOTES TO THE CAPITAL STRUCTURE

1) Share Capital History of our Company:

Equity Share Capital

The following table sets forth details of the history of paid-up Equity Share capital of our Company:

| Date of Allotment | No. of Equity Shares of face value of ₹ 10 each | Face value (₹) | Issue Price (₹) | Nature of consideration | Nature of Allotment | Cumulative number of Equity Shares | Cumulative paid-up Capital (₹) |
|-------------------|---|----------------|-----------------|-------------------------|--|------------------------------------|--------------------------------|
| On Incorporation* | 10,000 | 10 | 10 | Cash | Subscription to Memorandum of Association ⁽¹⁾ | 10,000 | 1,00,000 |

| Date of Allotment | No. of Equity Shares of face value of ₹ 10 each | Face value (₹) | Issue Price (₹) | Nature of consideration | Nature of Allotment | Cumulative number of Equity Shares | Cumulative paid-up Capital (₹) |
|-------------------|---|----------------|-----------------|-------------------------------|--|------------------------------------|--------------------------------|
| February 6, 2015 | 1,12,728 | 10 | 110 | Cash | Conversion of loan into Equity Shares ⁽²⁾ | 1,22,728 | 12,27,280 |
| March 2, 2015 | 1,000 | 10 | 110 | Cash | Conversion of loan into Equity Shares ⁽³⁾ | 1,23,728 | 12,37,280 |
| May 23, 2024 | 51,96,576 | 10 | N.A. | Consideration other than cash | Bonus Issue in the ratio of forty two (42) new equity shares for every one (1) Equity Shares held on May 16, 2024 ⁽⁴⁾ | 53,20,304 | 5,32,03,040 |
| September 2, 2024 | 19,95,116 | 10 | N.A. | Consideration other than cash | Bonus Issue in the ratio of three (3) new equity shares for eight (8) Equity Shares held on August 30, 2024 ⁽⁵⁾ | 73,15,420 | 7,31,54,200 |

*The MoA of our Company was signed on June 3, 2014, however, our Company was incorporated on July 1, 2014. Further, the allotment pursuant to the subscription to MoA was undertaken on July 21, 2014.

- ⁽¹⁾ Subscription to MoA of our Company, by subscribing to a total of 10,000 Equity Shares of face value of ₹ 10 each by Raghav Somani (5,000 Equity Shares of face value of ₹ 10 each); and Rohit Somani (5,000 Equity Shares of face value of ₹ 10 each).
- ⁽²⁾ Our Company entered into Conversion Agreements on July 21, 2014 ("Effective Date") with each of its creditors to convert unsecured loan availed from them to equity shares. In lieu of repayment, creditors of our Company elected to convert outstanding principal amount plus accrued and unpaid interest into the equity shares of our Company. Accordingly, our Company issued total of 1,12,728 Equity Shares of face value of ₹ 10/- each to Raghav Somani (44,545); Rohit Somani (29,091); Narayan Somani (16,364); Shantilal Somani HUF (4,545); Chandrakanta Somani (4,545); Kamalabai Somani (10,910); and Dhira Somani (2,728).
- ⁽³⁾ Our Company entered into Conversion Agreements on July 21, 2014 ("Effective Date") with each of its creditors to convert unsecured loan availed from them to equity shares. In lieu of repayment, creditors of our Company elected to convert outstanding principal amount plus accrued and unpaid interest into the equity shares of our Company. Accordingly, our Company issued total of 1,000 Equity Shares of face value of ₹ 10/- each to Raghav Somani.
- ⁽⁴⁾ Bonus issue of 51,96,576 Equity Shares of face value of ₹ 10/- each to Raghav Somani (11,13,588); Madhav Somani (11,13,588); Hansa Somani (9,00,732); Krishna Somani (9,00,732); Priya Somani (5,83,968); and Vranda Baheti (5,83,968).
- ⁽⁵⁾ Bonus issue of 19,95,116 Equity Shares of face value of ₹ 10/- each to Raghav Somani (8,37,948); Madhav Somani (79,805); Krishna Kant Somani (79,805); Hansa Somani (79,805); Priya Somani (8,37,944); Vranda Baheti (79,805); Kamla Bai Somani (4).

Except as disclosed in "Risk Factors – Risk Factor 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" on page 39, we confirm that our Company is in compliance with the Companies Act, 2013 with respect to issuance of securities since inception till the date of filing of Draft Red Herring Prospectus.

2) Preference Share capital history of our Company

Our Company does not have any preference share capital as on the date of this Draft Red Herring Prospectus.

3) Issue of equity shares for consideration other than cash or out of revaluation reserves and through Bonus Issue:

Our Company has not issued equity shares through bonus issue out of revaluation reserves or capital redemption reserve. For further details, please refer to the section titled "Financial Information" beginning on page 183 of this Draft Red Herring Prospectus.

Except as set out below we have not issued equity shares for consideration other than cash:

| Date of allotment | Number of Equity Shares of face value of ₹ 10 each allotted | Face Value | Issue Price | Nature of allotment | Benefit accrued to our Company | Source out of which bonus shares issued |
|-------------------|---|------------|-------------------------------|--|--------------------------------|--|
| May 23, 2024 | 51,96,576 | 10 | Consideration other than cash | Bonus Issue in the ratio of forty two (42) Bonus Equity Shares for every 1 Equity Share held on May 16, 2024, authorised by our Board, pursuant to a resolution passed at its meeting held on May 1, 2024, and by our Shareholders pursuant to a resolution passed at the EGM held on May 23, 2024. | Nil | Bonus issued out of security premium account and reserves and surplus account. |
| September 2, 2024 | 19,95,116 | 10 | Consideration other than cash | Bonus Issue in the ratio of three (3) Bonus Equity Shares for every 8 (eight) Equity Share held on August 30, 2024, authorised by our Board, pursuant to a resolution passed at its meeting held on August 22, 2024, and by our Shareholders pursuant to a resolution passed at the EGM held on August 23, 2024. | Nil | Bonus issued out of free reserves. |

For details in respect of list of allottees, please see “- Share Capital History of our Company - Equity Share Capital” on page 81.

- 4) As of date of this Draft Red Herring Prospectus, our Company has not allotted Equity Shares pursuant to any scheme approved under sections 391-394 of the Companies Act, 1956 and/or sections 230-232 of the Companies Act, 2013.
- 5) Our Company has not issued any Equity Shares under any employee stock option scheme or employee stock purchase scheme.
- 6) Our Company has not issued any Equity Shares at a price which may be lower than the Offer Price, during a period of one year preceding the date of this Draft Red Herring Prospectus.

7) Shareholding Pattern of our Company

The table below represents the shareholding pattern of our Company as on the date of this Draft Red Herring Prospectus:

| Category (I) | Category of Shareholder (II) | No. of Shareholders (III) | No. of fully paid-up Equity Shares held (IV) | No. of Partly paid-up Equity Shares held (V) | No. of shares underlying depository receipts (VI) | Total No. of shares held (VII) = (IV)+(V)+(VI) | Shareholding as a % of total no. of Equity Shares (calculated as per SCRR) (VIII) As a % of (A+B+C2) | Number of Voting Rights held in each class of securities (IX) | | | No. of Shares underlying outstanding convertible securities (including warrants) | Shareholding as a % assuming full conversion of convertible securities No. (a) | No. of locked-in Equity Shares (XII) | | Number of Equity Shares pledged or otherwise encumbered (XIII) | | No. of Equity Shares held in dematerialized form (XIV) |
|--------------|--------------------------------------|---------------------------|--|--|---|--|--|---|------------------|-------------------------|--|--|--------------------------------------|---------------------------------|--|---------------------------------|--|
| | | | | | | | | Class (Equity) | Total | Total as a % of (A+B+C) | | | No. (a) | As a % of total shares held (b) | No. (a) | As a % of total shares held (b) | |
| (A) | Promoters and Promoter Group | 5 | 70,22,789 | - | - | 70,22,789 | 96.00 | 70,22,789 | 70,22,789 | 96.00 | - | - | - | - | - | - | 70,22,789 |
| (B) | Public | 2 | 2,92,631 | - | - | 2,92,631 | 4.00 | 2,92,631 | 2,92,631 | 4.00 | - | - | - | - | - | - | 2,92,631 |
| (C) | Non Promoter- Non Public | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (C1) | Shares underlying depository receipt | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (C2) | Shares held by employee trusts | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total | | 7 | 73,15,420 | - | - | 73,15,420 | 100.00 | 73,15,420 | 73,15,420 | 100.00 | - | - | - | - | - | - | 73,15,420 |

Our Company will file the shareholding pattern of our Company, in the form prescribed under Regulation 31 of the SEBI Listing Regulations, one (1) day prior to the listing of the Equity shares. The shareholding pattern will be uploaded on the website of Stock Exchange before commencement of trading of such Equity Shares. The Equity Shares held by our Promoters and members of our Promoter Group are in dematerialized form.

8) **Other details of shareholding of our Company:**

- a) Particulars of the shareholders holding 1% or more of the paid-up share capital of our Company aggregating to 80% or more of the paid-up share capital and the number of shares held by them as on the date of filing of this Draft Red Herring Prospectus:

| Sr. No. | Particulars | No. of Equity Shares of face value of ₹ 10 each | % of Shares to Pre – Offer Equity Share Capital |
|--------------|---------------------|---|---|
| 1. | Raghav Somani | 30,72,476 | 42.00 |
| 2. | Priya Somani | 30,72,462 | 42.00 |
| 3. | Madhav Somani | 2,92,617 | 4.00 |
| 4. | Vranda Baheti | 2,92,617 | 4.00 |
| 5. | Krishna Kant Somani | 2,92,617 | 4.00 |
| 6. | Hansa Somani | 2,92,617 | 4.00 |
| Total | | 73,15,406 | 100.00 |

- b) Particulars of the shareholders holding 1% or more of the paid-up equity share capital of our Company and the number of shares held by them ten (10) days prior to the date of filing of this Draft Red Herring Prospectus:

| Sr. No. | Particulars | No. of Equity Shares of face value of ₹ 10 each | % of Shares to Pre – Offer Equity Share Capital |
|--------------|---------------------|---|---|
| 1. | Raghav Somani | 30,72,476 | 42.00 |
| 2. | Priya Somani | 30,72,462 | 42.00 |
| 3. | Madhav Somani | 2,92,617 | 4.00 |
| 4. | Vranda Baheti | 2,92,617 | 4.00 |
| 5. | Krishna Kant Somani | 2,92,617 | 4.00 |
| 6. | Hansa Somani | 2,92,617 | 4.00 |
| Total | | 73,15,406 | 100.00 |

- c) Particulars of the shareholders holding 1% or more of the paid-up equity share capital of our Company and the number of shares held by them one (01) year from the date of filing of this Draft Red Herring Prospectus:

| Sr. No. | Particulars | No. of Equity Shares of face value of ₹ 10 each | % of Shares to Pre – Offer Equity Share Capital |
|--------------|---------------------|---|---|
| 1. | Raghav Somani | 26,514 | 21.43 |
| 2. | Madhav Somani | 26,514 | 21.43 |
| 3. | Priya Somani | 6,362 | 5.14 |
| 4. | Hansa Somani | 21,446 | 17.33 |
| 5. | Krishna Kant Somani | 21,446 | 17.33 |
| 6. | Kamla Bai Somani | 21,446 | 17.33 |
| Total | | 1,23,728 | 99.99 |

- d) Particulars of the shareholders holding 1% or more of the paid-up equity share capital of our Company and the number of shares held by them two (02) years prior to filing of this Draft Red Herring Prospectus:

| Sr. No. | Particulars | No. of Equity Shares of face value of ₹ 10 each | % of Shares to Pre – Offer Equity Share Capital |
|--------------|---------------------|---|---|
| 1. | Raghav Somani | 26,514 | 21.43 |
| 2. | Madhav Somani | 26,514 | 21.43 |
| 3. | Priya Somani | 6,362 | 5.14 |
| 4. | Hansa Somani | 21,446 | 17.33 |
| 5. | Krishna Kant Somani | 21,446 | 17.33 |
| 6. | Kamla Bai Somani | 21,446 | 17.33 |
| Total | | 1,23,728 | 99.99 |

- e) None of the shareholders of our Company holding 1% or more of the paid-up capital of the Company as on the date of the filing of the Draft Red Herring Prospectus are entitled to any Equity Shares upon exercise of warrant, option or right to convert a debenture, loan or other instrument.
- f) Our Company has not made any initial public offer of its Equity Shares or any convertible securities during the preceding 02 (two) years from the date of this Draft Red Herring Prospectus.

g) Our Company does not have any intention or proposal to alter its capital structure within a period of six (06) months from the date of opening of the offer by way of split/consolidation of the denomination of Equity Shares or further issue of Equity Shares whether preferential or bonus, rights or further public issue basis. However, our Company may further issue Equity Shares (including issue of securities convertible into Equity Shares) whether preferential or otherwise after the date of the opening of the Offer to finance an acquisition, merger or joint venture or for regulatory compliance or such other scheme of arrangement or any other purpose as the Board may deem fit, if an opportunity of such nature is determined by its Board of Directors to be in the interest of our Company.

9) Shareholding of our Promoters

Set forth below are the details of the build-up of shareholding of our Promoter:

Raghav Somani

| Date of Allotment / Transfer | Nature of Transaction | Consideration | No. of Equity Shares of face value of ₹ 10 each | F.V (in Rs.) | Issue / Transfer Price (in Rs.) | % of Pre-Offer Equity Paid Up Capital | % of Post-Offer Equity Paid Up Capital |
|------------------------------|---|-------------------------------|---|--------------|---------------------------------|---------------------------------------|--|
| July 21, 2024 | Subscription to MoA | Cash | 5,000 | 10 | 10 | 0.07 | [•] |
| February 6, 2015 | Conversion of loan into Equity Shares | Cash | 44,545 | 10 | 110 | 0.61 | [•] |
| March 2, 2015 | Conversion of loan into Equity Shares | Cash | 1,000 | 10 | 110 | 0.01 | [•] |
| August 13, 2015 | Transfer of Equity Shares to Dhira Somani | Cash | (2,959) | 10 | 102 | (0.04) | [•] |
| August 13, 2015 | Transfer of Equity Shares to Kamla Bai Somani | Cash | (10,536) | 10 | 102 | (0.14) | [•] |
| August 13, 2015 | Transfer of Equity Shares to Chandrakanta Somani | Cash | (10,536) | 10 | 102 | (0.14) | [•] |
| May 23, 2024 | Bonus Issue in the ratio of forty two (42) new equity shares for every one (1) Equity Shares held on May 16, 2024 | Consideration other than cash | 11,13,588 | 10 | N.A. | 15.22 | [•] |
| July 18, 2024 | Transfer by way of gift from Vranda Baheti | Cash | 1,92,530 | 10 | N.A. | 2.63 | [•] |
| July 18, 2024 | Transfer by way of gift from Hansa Somani | Cash | 7,09,366 | 10 | N.A. | 9.70 | [•] |
| July 18, 2024 | Transfer by way of gift from Madhav Somani | Cash | 1,92,530 | 10 | N.A. | 2.63 | [•] |
| September 2, 2024 | Bonus Issue in the ratio of three (3) new equity shares for eight (8) Equity Shares held on August 30, 2024 | Consideration other than cash | 8,37,948 | 10 | N.A. | 11.45 | [•] |
| Total | | | 30,72,476 | | | 42.00 | [•] |

Priya Somani

| Date of Allotment / Transfer | Nature of Transaction | Consideration | No. of Equity Shares of face value of ₹ 10 each | F.V (in Rs.) | Issue / Transfer Price (in Rs.) | % of Pre-Offer Equity Paid Up Capital | % of Post-Offer Equity Paid Up Capital |
|------------------------------|---|-------------------------------|---|--------------|---------------------------------|---------------------------------------|--|
| June 27, 2021 | Transfer from Narayan Ji Somani | Cash | 6,362 | 10 | 130 | 0.09 | [•] |
| May 15, 2024 | Transfer by way of gift from Kamla Bai Somani | Cash | 7,542 | 10 | N.A. | 0.10 | [•] |
| May 23, 2024 | Bonus Issue in the ratio of forty two (42) new equity shares for every one (1) Equity Shares held on May 16, 2024 | Consideration other than cash | 5,83,968 | 10 | N.A. | 7.98 | [•] |
| July 18, 2024 | Transfer by way of gift from Vranda Baheti | Cash | 1,92,530 | 10 | N.A. | 2.63 | [•] |
| July 18, 2024 | Transfer by way of gift from Madhav Somani | Cash | 7,34,760 | 10 | N.A. | 10.04 | [•] |
| July 18, 2024 | Transfer by way of gift from Krishnakant Somani | Cash | 7,09,356 | 10 | N.A. | 9.70 | [•] |
| September 2, 2024 | Bonus Issue in the ratio of three (3) new equity shares for eight (8) Equity Shares held on August 30, 2024 | Consideration other than cash | 8,37,944 | 10 | N.A. | 11.45 | [•] |
| Total | | | 30,72,462 | | | 42.00 | [•] |

- 10) As on the date of the Draft Red Herring Prospectus, the Company has seven (7) members/shareholders.
- 11) The details of the Shareholding of the Promoters (also the Promoter Selling Shareholders) and members of the Promoter Group as on the date of this Draft Red Herring Prospectus are set forth in the table below:

| Sr. No. | Name of the Shareholders | Pre-Offer | | Post - Offer | |
|--|--------------------------|--|-------------------------------------|--|--------------------------------------|
| | | Number of Equity Shares of face value of ₹ 10 each | % of Pre-Offer Equity Share Capital | Number of Equity Shares of face value of ₹ 10 each | % of Post-Offer Equity Share Capital |
| Promoter (also the Promoter Selling Shareholders) | | | | | |
| 1. | Raghav Somani | 30,72,476 | 42.00 | [•] | [•] |
| 2. | Priya Somani | 30,72,462 | 42.00 | [•] | [•] |
| Total (A) | | 61,44,938 | 84.00 | [•] | [•] |
| Promoter Group | | | | | |
| 3. | Madhav Somani | 2,92,617 | 4.00 | [•] | [•] |
| 4. | Krishna Kant Somani | 2,92,617 | 4.00 | [•] | [•] |
| 5. | Hansa Somani | 2,92,617 | 4.00 | [•] | [•] |
| Total (B) | | 8,77,851 | 12.00 | [•] | [•] |
| Total (A +B) | | 70,22,789 | 96.00 | [•] | [•] |

- 12) Except as disclosed in “Shareholding of our Promoters”, and except as disclosed below, our Promoters who are also the Selling Shareholders, Promoter Group, Directors of our Company and their relatives have not undertaken purchase or sale transactions in the Equity Shares of our Company, during a period of six (6) months preceding the date on which this Draft Red Herring Prospectus is filed with Stock Exchange:

| Date of transfer | Name of the transferor | Name of the transferee | Number of Equity Shares of face value of ₹ 10 each transferred | Transfer price per Equity Share (in ₹) |
|------------------|------------------------|------------------------|--|--|
| May 15, 2024 | Kamla Bai Somani | Vranda Baheti | 13,904 | Transfer by way of Gift |
| May 25, 2024 | Krishna Kant Somani | Kamla Bai Somani | 10 | 500 |

- 13) There are no financing arrangements wherein the Promoters, Promoter Group, the Directors of our Company and their relatives, have financed the purchase by any other person of securities of our Company other than in the normal course of the business of the financing entity during the period of six (06) months immediately preceding the date of filing of the Draft Red Herring Prospectus.

14) **Promoters’ Contribution and other Lock-In details:**

Pursuant to Regulation 236 and 238 of the SEBI (ICDR) Regulations, an aggregate of 20.00% of the fully diluted post-Offer capital of our Company held by the Promoters shall be locked in for a period of three years from the date of Allotment (“**Minimum Promoters’ Contribution**”), and the Promoters’ shareholding in excess of 20% of the fully diluted post-Offer Equity Share capital shall be locked in for a period of one year from the date of Allotment.

The lock-in of the Minimum Promoter’s Contribution would be created as per applicable laws and procedures and details of the same shall also be provided to the Stock exchange before the listing of the Equity Shares.

Following are the details of Minimum Promoters’ Contribution:

| Number of Equity Shares locked-in ^{*(1)(2)(3)} | Nature of Allotment / Transfer | Date of Allotment and Date when made fully paid-up | Face value (in ₹) | Offer / Acquisition Price per Equity Share (in ₹) | Nature of consideration (cash / other than cash) | % of fully diluted post-Offer paid-up capital | Period of lock-in |
|---|--------------------------------|--|-------------------|---|--|---|-------------------|
| Raghav Somani | | | | | | | |
| [•] | [•] | [•] | [•] | [•] | [•] | [•] | [•] |
| Priya Somani | | | | | | | |
| [•] | [•] | [•] | [•] | [•] | [•] | [•] | [•] |
| TOTAL | [•] | | | | | [•] | |

* Subject to finalisation of Basis of Allotment.

(1) For a period of three years from the date of allotment.

(2) All Equity Shares have been fully paid-up at the time of allotment.

(3) All Equity Shares held by our Promoters are in dematerialized form.

For details on the build-up of the Equity Share capital held by our Promoters, see “Details of the Build-up of our Promoters’ shareholding” on page 86.

The Promoters’ Contribution has been brought to the extent of not less than the specified minimum lot and from persons defined as ‘promoter’ under the SEBI (ICDR) Regulations.

The Equity Shares that are being locked-in are not, and will not be, ineligible for computation of Promoters’ Contribution under Regulation 237 of the SEBI (ICDR) Regulations. In this computation, as per Regulation 237 of the SEBI (ICDR) Regulations, our Company confirms that the Equity Shares which are being locked-in do not, and shall not, consist of:

- Equity Shares acquired during the preceding three years for consideration other than cash and revaluation of assets or capitalization of intangible assets
- Equity Shares resulting from bonus issue by utilization of revaluations reserves or unrealized profits of the Company

- or from bonus issue against Equity Shares which are otherwise ineligible for minimum promoters' contribution;
- Equity Shares acquired during the preceding one year, at a price lower than the price at which the Equity Shares are being offered to the public in the Offer;
- Equity Shares allotted to the promoter against the capital existing in the firms for a period of less than one year on a continuous basis.
- Equity Shares held by the Promoters that are subject to any pledge; and
- Equity Shares for which specific written consent has not been obtained from the respective shareholders for inclusion of their subscription in the Promoters' Contribution subject to lock-in.

Our Company has not been formed by the conversion of a partnership firm into a company in the past one year and thus, no Equity Shares have been issued to our Promoter upon conversion of a partnership firm in the past one year. All the Equity Shares held by the Promoter and the members of the Promoter Group are held in dematerialized form.

In terms of undertaking executed by our Promoters, Equity Shares forming part of Promoters' Contribution subject to lock in will not be disposed/ sold/ transferred by our Promoters during the period starting from the date of filing of this Draft Red Herring Prospectus till the date of commencement of lock in period as stated in this Draft Red Herring Prospectus.

Other than the Equity Shares locked-in as Promoters' Contribution for a period of three years as stated in the table above, the entire pre-Offer capital of our Company, including the excess of minimum Promoters' Contribution, as per Regulation 238 of the SEBI (ICDR) Regulations, shall be locked in for a period of one year from the date of Allotment of Equity Shares in the Offer. Such lock – in of the Equity Shares would be created as per the bye laws of the Depositories.

Other requirements in respect of 'lock-in'

In terms of Regulation 243 of the SEBI (ICDR) Regulations, the Equity Shares held by persons other than the Promoters prior to the Offer may be transferred to any other person holding the Equity Shares which are locked-in as per Regulation 239 of the SEBI (ICDR) Regulations, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the Takeover Code as applicable.

In terms of Regulation 243 of the SEBI (ICDR) Regulations, the Equity Shares held by our Promoters which are locked in as per the provisions of Regulation 238 of the SEBI (ICDR) Regulations, may be transferred to and amongst Promoters / members of the Promoter Group or to a new promoter or persons in control of our Company, subject to continuation of lock-in in the hands of transferees for the remaining period and compliance of Takeover Code, as applicable.

In terms of Regulation 242(a) of the SEBI (ICDR) Regulations, the locked-in Equity Shares held by our Promoters can be pledged only with any scheduled commercial banks or public financial institutions or a systemically important non-banking finance company or a housing finance company as collateral security for loans granted by such banks or financial institutions, provided that such loans have been granted for the purpose of financing one or more of the objects of the Offer and pledge of the Equity Shares is a term of sanction of such loans.

In terms of Regulation 242(b) of the SEBI ICDR Regulations, the Equity Shares held by the Promoters which are locked-in for a period of one year from the date of allotment may be pledged only with scheduled commercial banks, public financial institutions, systemically important non-banking finance companies or housing finance companies as collateral security for loans granted by such entities, provided that such pledge of the Equity Shares is one of the terms of the sanction of such loans.

- 15) Our Company, our Promoters, our Directors and the Book Running Lead Manager have no existing buyback arrangements or any other similar arrangements for the purchase of Equity Shares being offered through the Offer.
- 16) The post-Offer paid up Equity Share Capital of our Company shall not exceed the authorised Equity Share Capital of our Company.
- 17) There have been no financing arrangements whereby our Directors or any of their relatives have financed the purchase by any other person of securities of our Company during the six months immediately preceding the date of filing of this Draft Red Herring Prospectus.
- 18) No person connected with the Offer, including, but not limited to, our Company, the members of the Syndicate, or our Directors, shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services

or otherwise to any Bidder for making a Bid, except for fees or commission for services rendered in relation to the Offer.

- 19) There neither have been and there will be no further issue of Equity Shares whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of filing of the Draft Red Herring Prospectus until the Equity Shares have been listed on the Stock Exchange or all application monies have been refunded, as the case may be.
- 20) Our Company has no outstanding warrants, options to be issued or rights to convert debentures, loans or other convertible instruments into Equity Shares as on the date of this Draft Red Herring Prospectus.
- 21) There shall be only one denomination of the Equity Shares, unless otherwise permitted by law. Our Company will comply with such disclosure and accounting norms as may be specified by SEBI from time to time.
- 22) Our Company shall ensure that any transactions in Equity Shares by our Promoters and the Promoter Group during the period between the date of filing the Draft Red Herring Prospectus and the date of closure of the Offer, shall be reported to the Stock Exchanges within 24 hours of the transaction.
- 23) All Equity Shares issued pursuant to the Offer shall be fully paid-up at the time of Allotment and there are no partly paid-up Equity Shares as on the date of this Draft Red Herring Prospectus.
- 24) As on the date of this Draft Red Herring Prospectus, the Book Running Lead Manager and their respective associates (as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992) do not hold any Equity Shares of our Company. The Book Running Lead Manager and their affiliates may engage in the transactions with and perform services for our Company in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions with our Company for which they may in the future receive customary compensation.
- 25) Except for Raghav Somani and Priya Somani who are our Promoters (also the Selling Shareholders) in this Offer, none of our members of our Promoter Group will participate in the Offer.
- 26) Following are the details of Equity Shares of our Company held by our Directors, Key Management Personnel and Senior Management:

| Sr. No. | Name of the Shareholders | Pre-Offer | | Post – Offer | |
|---------|--------------------------|--|-------------------------------------|--|--------------------------------------|
| | | Number of Equity Shares of face value of ₹ 10 each | % of Pre-Offer Equity Share Capital | Number of Equity Shares of face value of ₹ 10 each | % of Post-Offer Equity Share Capital |
| 1. | Raghav Somani | 30,72,476 | 42.00 | [•] | [•] |
| 2. | Priya Somani | 30,72,462 | 42.00 | [•] | [•] |
| 3. | Vranda Baheti | 2,92,617 | 4.00 | [•] | [•] |
| | Total | 64,37,555 | 88.00 | [•] | [•] |

- 27) Our Company has not raised any bridge loans which are proposed to be repaid from the proceeds of the Offer.
- 28) Investors may note that in case of over-subscription, allotment will be on proportionate basis as detailed under “Basis of Allotment” in the chapter titled “Offer Procedure” beginning on page 264 of this Draft Red Herring Prospectus. In case of over-subscription in all categories the allocation in the Offer shall be as per the requirements of Regulation 253 (2) of SEBI (ICDR) Regulations, as amended from time to time.
- 29) An investor cannot make an application for more than the number of Equity Shares offered in this Offer, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investor.
- 30) An over-subscription to the extent of 10% of the Offer can be retained for the purpose of rounding off to the nearest integer during finalizing the allotment, subject to minimum allotment, which is the minimum application size in this Offer. Consequently, the actual allotment may go up by a maximum of 10% of the Offer, as a result of which, the post-Offer paid up capital after the Offer would also increase by the excess amount of allotment so made. In such an

event, the Equity Shares held by the Promoters and subject to lock- in shall be suitably increased; so as to ensure that 20% of the post Offer paid-up capital is locked in.

- 31) Under subscription, if any, in any of the categories, would be allowed to be met with spill-over from any of the other categories or a combination of categories at the discretion of our Company in consultation with the Book Running Lead Manager and Designated Stock Exchange. Such inter-se spill over, if any, would be effected in accordance with applicable laws, rules, regulations and guidelines.
- 32) No payment, direct, indirect in the nature of discount, commission, and allowance, or otherwise shall be made either by us or by our Promoters to the persons who receive allotments, if any, in this Offer.
- 33) As on date of this Draft Red Herring Prospectus, there are no outstanding financial instruments or any other rights that would entitle the existing Promoters or shareholders or any other person any option to receive Equity Shares after the Offer.
- 34) We confirm that none of the investors of our Company are directly/indirectly related with Book Running Lead Managers and their associates.

OBJECTS OF THE OFFER

The Offer comprises of a fresh issue upto 26,03,000 Equity Shares of ₹ 10/- each at a price of ₹ [●] per Equity Share, including a share premium of ₹ [●] per equity share aggregating to ₹ [●] Lakhs by our Company and an Offer for Sale of upto 3,00,000 Equity Shares of face value of ₹ 10 each comprising of an offer upto 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 Shareholders**” or “**Promoter Selling Shareholders**”) aggregating upto ₹ [●] Lakh.

Our Company proposes to utilize the Net Proceeds from the Offer towards the following objects:

1. Funding capital expenditure requirements towards (i) purchase of new machinery and upgradation of existing machinery installed; and (ii) setting up of on-grid rooftop solar PV system of a capacity of 149.04KWp at our existing manufacturing unit;
2. Funding of working capital requirements;
3. Repayment and/or pre-payment, in part or full, of certain borrowings availed by our Company; and
4. General Corporate Purposes.

(Collectively, referred to herein as the “**Objects**”)

In addition, our Company expects to receive the benefits of listing of the Equity Shares on the Stock Exchange and enhancement of our Company’s visibility and brand image and creation of a public market for our Equity Shares in India.

The main objects clause and objects incidental and ancillary to the main objects as set out in the Memorandum of Association enable our Company to undertake our existing business activities and to undertake the activities for which the funds are being raised in the Offer.

Net Proceeds

The details of the proceeds of the Offer are set forth in the table below:

(₹ in lakh)

| Particulars | Amount |
|-----------------------------|--------|
| Gross Proceeds of the Offer | [●] |
| Less: Offer Expenses** | [●] |
| Net Proceeds** | [●] |

*For details see "Offer Related Expenses" below on page 104.

** To be finalised upon determination of the Offer Price and updated in the Prospectus prior to the filing with the RoC.

Excluding expenses incurred from the Offer for Sale.

Requirement of Funds and Utilization of Net Proceeds

The Net Proceeds are proposed to be used in the manner set out in in the following table:

(₹ in lakhs)

| Sr. No. | Particulars | Estimated amount |
|---------|--|------------------|
| 1. | Funding capital expenditure requirements towards (i) purchase of new machinery and upgradation of existing machinery installed; and (ii) setting up of on-grid rooftop solar PV system of a capacity of 149.04KWp at our existing manufacturing unit | Up to 699.75 |
| 2. | Funding of working capital requirements | Up to 1,000.00 |
| 3. | Repayment and/or pre-payment, in part or full, of certain borrowings availed by our Company | Up to 542.50 |
| 4. | General corporate purposes ⁽¹⁾⁽²⁾ | [●] |

⁽¹⁾To be finalized on determination of the Offer Price and updated in the Prospectus prior to filing with the ROC.

⁽²⁾The amount to be utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds of the Offer.

Schedule of implementation and Means of Finance

We propose to deploy the Net Proceeds towards the aforesaid Objects in accordance with the estimated schedule of implementation and deployment of funds set forth in the table below:

(₹ in lakhs)

| Sr. No. | Particulars | Total estimated cost | Amount which will be financed from Net Proceeds ⁽¹⁾ | Estimated Utilisation of Net Proceeds | |
|--------------|--|----------------------|--|---------------------------------------|------------------------|
| | | | | Financial Year 2024-25 | Financial Year 2025-26 |
| 1. | Funding capital expenditure requirements towards (i) purchase of new machinery and upgradation of existing machinery installed; and (ii) setting up of on-grid rooftop solar PV system of a capacity of 149.04KWp at our existing manufacturing unit | Up to 699.75 | Up to 699.75 | - | Up to 699.75 |
| 2. | Funding of working capital requirements | Up to 1,000.00 | Up to 1,000.00 | Up to 400.00 | Up to 600.00 |
| 3. | Repayment and/or prepayment, in part or full, of certain borrowings availed by our Company | Upto 542.50 | Upto 542.50 | Upto 542.50 | - |
| 4. | General corporate purposes* | [•] | [•] | [•] | [•] |
| Total | | [•] | [•] | [•] | [•] |

*To be finalized on determination of the Offer Price and updated in the Prospectus prior to filing with the RoC.

Given the dynamic nature of our business, we may have to revise our funding requirements and deployment on account of a variety of factors such as our financial condition, business strategy and external factors such as market conditions competitive environment and interest or exchange rate fluctuations, changes in design and configuration of the project, increase in input costs of construction materials and labour costs, logistics and transport costs incremental preoperative expenses, taxes and duties, interest and finance charges, engineering procurement and construction costs, working capital margin, regulatory costs, environmental factors and other external factors which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose, at the discretion of our management, subject to compliance with applicable law. Moreover, if the actual utilisation towards any of the Objects is lower than the proposed deployment such balance will be used for general corporate purposes to the extent that the total amount to be utilized towards general corporate purposes will not exceed 25% of the gross proceeds from the Offer in accordance with the SEBI ICDR Regulations. In case of a shortfall in raising requisite capital from the Net Proceeds or an increase in the total estimated cost of the Objects, business considerations may require us to explore a range of options including utilising our internal accruals and seeking additional debt from existing and future lenders. We believe that such alternate arrangements would be available to fund any such shortfalls. Further, in case of variations in the actual utilization of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in the Offer. To the extent our Company is unable to utilize any portion of the Net Proceeds towards the aforementioned objects, or is able to utilise additional Net Proceeds in a preceding Financial Year, as compared to the estimated scheduled of deployment specified above, our Company shall deploy the Net Proceeds in the subsequent or preceding financial year, as applicable, towards the aforementioned Objects. For further details see “Risk Factors – Risk Factor 41- Our Company’s management will have flexibility in utilizing the Net Proceeds from the Offer and the deployment of the net proceeds from the Offer is not subject to any monitoring by any independent agency” on page 50.

The fund requirements mentioned above for purchase of machineries, equipment and solar facility are based on the internal management estimates of our Company and quotation received from third parties. The fund requirements mentioned above except for purchase of machineries, equipment and solar facility are based on the internal management estimates of our Company, and have not been verified by the Book Running Lead Manager or appraised by any bank, financial institution. The fund requirements are based on current circumstances of our business and our Company may have to revise its estimates from time to time on account of various factors beyond its control, such as market conditions, competitive environment, costs of commodities and interest or exchange rate fluctuations. Consequently, the fund requirements of our Company are subject to revisions in the future at the discretion of the management. In the event of any shortfall of funds for the activities proposed to be financed out of the Net Proceeds as stated above, our Company may re-allocate the Net Proceeds to the activities where such shortfall has arisen, subject to compliance with applicable laws. Further, in case of a shortfall in the Net Proceeds or cost overruns, our management may explore a range of options including utilising our internal accruals or seeking debt financing. For further details see “Risk Factors – Risk Factor 18

–The cost estimates for the proposed expansion of our manufacturing unit have been derived from internal estimates of our management and may not be accurate.” on page 41.

The fund requirements set out for the aforesaid objects of the Offer are proposed to be met entirely from the Net Proceeds. In view of above, we confirm that, with respect to the Objects, our Company is not required to make firm arrangement of finance under Regulation 230(1)(e) of the SEBI ICDR Regulations.

Basis of Estimation for the Objects of the Offer

Our Company has experienced growth in its revenue from operations in the past. The details of our net worth, revenue from operations and profit after tax for the three month period ended June 30, 2024 and the Financial Years ended March 31, 2024, March 31, 2023 and March 31, 2022 has been provided below:

| S. No. | Particulars | June 30, 2024 | March 31, 2024 | March 31, 2023 | March 31, 2022 |
|--------|-------------------------|---------------|----------------|----------------|----------------|
| 1. | Net Worth | 736.52 | 587.53 | 258.31 | 198.90 |
| 2. | Revenue from operations | 742.53 | 2,339.78 | 1,508.87 | 1,356.26 |
| 3. | Profit after Tax | 148.98 | 329.23 | 59.41 | 73.37 |

*Not annualised

A. Increase in Inventory Days:

- Our Company purchases large quantities of fresh produce during peak harvest seasons and store dehydrated products for sale during off-peak periods. This approach, along with the long shelf life of dehydrated products, enables us to meet year-round demand and maintain a buffer against market fluctuations.
- For the reason mentioned above, the inventory days have increased from 69 days in Fiscal 2022 to 136 days in Fiscal 2023 and further increased to 169 days in Fiscal 2024 and remained same for period ended June 2024. We expect to maintain a consistent level of 167 days for Fiscal 2025 and 158 days for Fiscal 2026.

B. Increase in Customer Base:

- The company has made substantial efforts to grow its customer base, resulting in a significant increase in the number of customers.

| Particulars | Three-month period ended June 30, 2024 | Fiscal | | |
|---------------------|--|--------|------|------|
| | | 2024 | 2023 | 2022 |
| Number of Customers | 24 | 84 | 12 | 11 |

Our customer base increased from 12 to 84 in FY 2023-24 due to direct sales of carrots to traders and wholesalers. We purchase carrots from suppliers, perform necessary washing and processing, and then sell them to our customers.

• Growth Statistics:

- ❖ In Fiscal 2022, number of customers associated with the Company were 11 resulting in revenue from operations of ₹ 1,356.26 lakhs.
- ❖ In Fiscal 2023, number of customers associated with the Company increased to 12 resulting in revenue from operations of ₹ 1,508.87 lakhs.
- ❖ In Fiscal 2024, number of customers associated with the Company increased to 84 resulting in revenue from operations of ₹ 2,339.78 lakhs.

C. Revenue:

The company’s financial performance over the past three fiscal years and period ended June 30, 2024, shows substantial growth in revenue:

| Particulars | Three-month period ended June 30, 2024 | Fiscal | | |
|-------------------------|--|----------|----------|----------|
| | | 2024 | 2023 | 2022 |
| Revenue from Operations | 742.53 | 2,339.78 | 1,508.87 | 1,356.26 |
| Growth (%) | - | 55.07% | 11.25% | - |

D. Assets and Liabilities:

The company's financial position reflects an increasing trend in assets, particularly in inventories, indicating growing operations and liquidity needs:

(₹ in Lakhs)

| Particulars | Three month period ended June 30, 2024 | Fiscal | | |
|-----------------------------|--|----------|----------|--------|
| | | 2024 | 2023 | 2022 |
| Current Assets | 2,601.81 | 1,826.24 | 1,129.67 | 560.98 |
| Current Liabilities | 670.30 | 641.36 | 390.46 | 129.11 |
| Net Working Capital | 1,931.51 | 1,184.88 | 739.21 | 431.87 |
| Incremental working capital | 746.62 | 445.67 | 307.34 | 78.28 |

Our Company's working capital needs for a specific period are influenced by various factors, such as large order size of raw materials, high inventory, and customer payment terms. Our working capital requirements for the Period ended June 30, 2024, and Fiscal 2024, 2023, and 2022 were ₹ 1,931.51 lakhs, ₹ 1,184.88 lakhs, ₹ 739.21 lakhs, ₹ 431.87 lakhs respectively. Based on historical trends, we anticipate a significant increase in our working capital requirements, leading to requirement of increased capital expenditure.

Details of the Object

The details of the Objects of the Offer are set out below:

1. Funding capital expenditure requirements towards (i) purchase of new machinery and upgradation of existing machinery installed; and (ii) setting up of on-grid rooftop solar PV system of a capacity of 149.04KWp at our existing manufacturing unit

Our Company is a manufacturer and processor of dehydrated vegetables, serving leading institutional manufacturers engaged in branded packaged food industries, traders and international importers of dehydrated products. Our primary products include, dehydrated carrots, dehydrated cabbage and dehydrated ring beans/beans. All our products are produced at our manufacturing facility, located in District Dhar, Madhya Pradesh, with a production capacity of approximately 1500 MT for all our dehydrated products, divided into two facilities. This enables us to have an effective control over the manufacturing process and to ensure consistent quality of our products. We have in the past undertaking capital expenditure at our manufacturing facility, and therefore have a track record of increasing our manufacturing capacity and scaling our operations accordingly. For instance, we established our manufacturing unit with a semi-automatic line and a small dryer, for processing and manufacturing dehydrated vegetables, in 2017. In 2019, we automated the existing manufacturing unit by replacing the semi-automatic line with an automatic process line and installed an in-house meyer color sorter machine for improving quality of our products. In the year 2022, with the aim of expanding our manufacturing capacity, we had installed an additional vegetable processing line to increase production and set up an additional food dehydration and processing line in our manufacturing unit. We further expanded our manufacturing capacity and increased our ability to store and process raw materials and finished products, by establishing an in-house cold storage in our manufacturing unit. The storage has a captive storage capacity of 2,000 M.T and has complemented our manufacturing operations by increasing the life span of our raw materials and finished products, thus increasing our inventory days and order completion turnaround time.

We now wish to add additional plant and machinery at our second production line in order to undertaking independent manufacturing operations in each of our facilities, and add a packaging line for packaging our products at a faster pace. Presently, if we wish to carry out manufacturing operations after a production cycle, we are required to stop our operations to first clean the entire machinery to reduce the risk of contamination. With an independent second line, we shall be able to simultaneously carry out manufacturing operations while undertaking cleaning operations in one production line. Additionally, we also wish to install additional machinery to enhance the quality of our products and further automate our quality and inspection processes. The machines proposed to be installed shall enable us in de-clustering beans and snipping of green beans to ensure un-sipped beans are not processed for dehydration. Further, the proposed addition to our machinery, shall also enable us in identifying defects that arise during snipping or cutting of vegetables and for sorting B grade vegetables from a grade vegetables, during the manufacturing process. We shall also be adding new products to our portfolio through the new machines proposed to be purchase from the Net Proceeds. We intend to utilise an amount up to ₹ 646.27 lakhs towards funding of capital expenditure by installing additional machinery in both the facilities at our existing manufacturing unit. We believe that the said capital expenditure will enable us in manufacturing better quality products which will increase our sales and reduce our debtors.

Our Company has identified the machinery to be purchased and obtained quotations from respective vendors /suppliers and is yet to place any orders or enter into definitive agreements for purchase of such machinery. The amount to be spent and machinery to be procured by our Company will depend upon business requirements and technological advancement. The details and total estimated cost towards purchasing machinery is as follows:

| Sr. No. | Particulars | Units to be purchased | Per Unit Price (₹ lacs) | Total Cost (₹ lacs) | Quotation reference and Date | Validity of quotation |
|---------|---|-----------------------|-------------------------|---------------------|---|-----------------------|
| 1. (a) | Bean Cluster Cutter Pre-snipper (Model: TDCPS02): <i>The machine is suitable to cut the clusters (declustering) and for the pre-snipping of the green beans.</i> <i>Processing capacity of up to 2 tons per hour of green beans</i> | 1 set | 27.96* | 27.96* | <i>Reference number:</i> SAWALIYAFOO DS050924-TA-BEAN <i>Date:</i> September 5, 2024 | 6 months |
| (b) | Unsnipped Bean Remover (Model: TUBR01): <i>Unsnipped bean remover is designed for automatic sorting of unsnipped green beans after processing in bean snipper</i> <i>Processing capacity of up to 2 tons per hour</i> | 2 set | 18.64* | 37.28* | | |
| | Manufactured by: Tabanlı Makina Sanayi Ve Ticaret Limited Sirketi | | | | | |
| | Total Machine cost | | 46.60 | 65.24* | | |
| 2. | TOMRA 5B 800 Sorter: <i>The sorter machines are designed and custom-built to sort specific products and target certain defects. This sorter is engineered to enhance the quality of the final product by efficiently removing impurities from the product stream. A feed shaker ensures even distribution of the product on the feed chute, while defects are collected on a reject shaker or belt.</i> <i>Total required constant capacity of 400 kg/hour</i> | 1 set | 273.31* | 273.31* | <i>Reference number:</i> 20240813-abh-01 <i>Date:</i> August 13, 2024 | 12 months |
| | Manufactured by: Tomra Sorting India Private Limited | | | | | |
| | Total Machine cost | | - | 273.31 | | |
| 3. | Fam Food Cutting Machines: | | | | | |
| a) | <i>One FAM model VOLANTIS New Transverse Slicer, 1-dimensional cutting machine with 2 belts in "V" for slices of fresh vegetables with wheels and packaging</i> | 1 set | 64.95 | 64.95 | <i>Reference number:</i> 13082024/Volantis/MTS/20 <i>Date:</i> August 13, 2024 | March 24, 2025 |
| b) | <i>Inline Feeder for beans</i> | 1 set | 23.51 | 23.51 | | |
| | Manufactured by: FAM N.V. | | | | | |
| | Total Machine cost | | 88.47 | 88.47 | | |
| 4. | Metal Detectors for manufacturing dehydrated onion flakes | | | | | |

| Sr. No. | Particulars | Units to be purchased | Per Unit Price (₹ lacs) | Total Cost (₹ lacs) | Quotation reference and Date | Validity of quotation |
|-----------|--|-----------------------|-------------------------|---------------------|---|-----------------------|
| a) | Mesutronic GMBH Make Metal Separator (Quicktron 05 A 150) Capacity of 2,500 Kgs Per Hour (including freight, insurance and installation cost) | 2 set | 8.86 | 18.12 | Reference number: SITPL/QN/2024-25/133 Date: September 8, 2024 | 12 months |
| b) | Optional Accessories: | | | | | |
| | Total Cost of miscellaneous optional accessories | 2 set | 0.40 | 0.80 | | |
| | Manufactured by: Safesurge Inspection Technologies Private Limited | | | | | |
| | Total Machine cost | | 9.26 | 18.92 | | |
| 5. | X-Ray Inspection Machine | | | | | |
| a) | X-Ray Inspection Machine (model number: AD-4991-2515) (including freight, insurance and installation cost) | 2 set | 38.27 | 76.54 | Reference number: SITPL/QN/2022-23/132 Date: September 8, 2024 | 12 months |
| b) | Optional Accessories: | | | | | |
| | Total (Optional Accessories) | 2 set | 4.64 | 9.28 | | |
| | Manufactured by: Safesurge Inspection Technologies Private Limited | | | | | |
| | Total Machine cost | | 42.91 | 85.82 | | |
| | Equipments for Vegetable Processing Line | | | | | |
| | Equipments for Vegetable Processing Line | 1 set | 114.50 [#] | 114.50 [#] | Reference number: BX20240918 Date: September 18, 2024 | June 18, 2025 |
| | Manufactured by: Henan Baixin Machinery Equipments Company Limited (including freight, insurance and installation cost) | | | | | |
| | Total Machine cost | | | 114.50 | | |
| | Total Cost of Machinery | | 575.05 | 646.27 | | |

^{*}The amount in the quotation is mentioned in terms of Euro. Euro has been converted into INR using the exchange rate of 1 EUR=₹ 93.20.

[#] The amount in the quotation is mentioned in terms of USD. USD has been converted into INR using the exchange rate of 1 USD=₹ 83.58.

[§]The amount included in the quotation may be subject to price revisions, basis, inter alia, prevailing market conditions, price of raw materials, increase in taxes/duties levied by governmental authorities. In case of an increase in quoted amount due to a price revision, our Company will bear the difference out of internal accruals.

No second-hand or used machinery is proposed to be purchased out of the Net Proceeds.

Government approvals:

Since, the additional plant and machinery, proposed to be purchased for our manufacturing unit shall result in (i) better quality compliance and assurance; and (ii) increase in production volumes, on account of increase in efficiency, the installed capacity of the manufacturing unit shall remain the same. Accordingly, our Company is not required to apply for any licenses and approvals for the proposed expansion in its manufacturing unit.

Proposed increase in capacity

We envisage an increase in the production capacity of our manufacturing unit in the Fiscal 2026 and Fiscal 2027 and propose to commence the commercial production through the new machinery proposed to be installed by December 2025.

From April, 2026 to March, 2027, for the entire year, the production capacity is expected to be 370 MT. The same has been certified by M/s. Mayank Maithil, Independent Chartered Engineer pursuant to its certificate dated September 28, 2024.

Proposed Schedule of Deployment

The proposed schedule of deployment of the proposed schedule of deployment has been provided below:

| Sr. No | Particulars | Estimate status / Expected commencement date | Estimate completion date |
|--------|--|--|--------------------------|
| 1. | Planning and procurement of equipment | March 10, 2025 | April 10, 2025 |
| 2. | Erection and installation of equipment | June 30, 2025 | July 10, 2025 |
| 3. | Trial run | | August 10, 2025 |
| 4. | Commencement of commercial production | | August 15, 2025 |

In the event, our Company receives a quotation from a vendors, which is lower than the quote mentioned above, our Company shall reserve the right of finalising the said quote, in order to ensure effective utilisation of the Net Proceeds.

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

We require a substantial amount of electrical power for running our business operations. At present the electricity for our manufacturing unit is sourced from MP Paschim Kshetra Vidyut Vitaran Co. Ltd. and an amount of ₹ 17.56 lakhs, ₹ 75.59 lakhs, ₹ 53.17 lakhs and ₹ 44.54 lakhs, was incurred by us for the period ended June 30, 2024 and the Financial Years ended March 31, 2024, March 31, 2023 and March 31, 2022, as expense towards sourcing electric power for our manufacturing unit, which constituted 3.19%, 3.73%, 3.64% and 3.44%, of our total expenses, respectively.

Adequate and cost-effective supply of electrical power is critical to our operations, which entails significant consumption of electrical power. The shortage or non-availability of electrical power may adversely affect our manufacturing process and have an adverse impact on our results of operations and financial condition. We propose to reduce our dependency on third parties for sourcing power for our operations and also reduce the cost incurred towards sourcing of electricity for our operations. We intend to utilise an amount of up to ₹ 53.48 lakhs towards setting up of rooftop on grid solar power plant in our existing manufacturing unit to reduce cost of electricity, which consequently will result in increase in cash flow and better financial conditions.

Additionally, our Company has over the years developed a sustainable business model which not only benefits the business operations of our Company but also contributes to the farmer community and the environment at large. A few of the sustainable practices followed by our Company have been provided below:

- a) we procure organic vegetables directly from farmers in Madhya Pradesh and Amritsar and from Agricultural Produce Marketing Committee (“APMC”) to maintain cost-competitiveness and freshness of our raw materials. We have maintained good and cordial relations with local carrot growing farmer base so as to ensure un-interrupted supply of carrot within the required time period and reduced carbon footprint for our procurement operations; and
- b) the machinery installed at our manufacturing unit, utilises automatic heat generation to dehydrate vegetables, to reduce generation and release of steam outside the manufacturing unit. This capacity enhancement has made our operations sustainable and environmental friendly.

We believe our move towards installing rooftop on grid solar power plant would make our Company eligible for entering into geographies, where institutional manufacturers mandate inculcating sustainability as part of manufacturing process.

Our Company has obtained a quotation from Waree Energies Limited towards setting up of rooftop on grid solar power plant from the Net Proceeds and is yet to place any orders or enter into definitive agreements towards set up of such solar facility. The break-down of such quotation received from *Vendor – “Waree Energies Limited”* are set forth below:

| Sr. No. | Details of the equipment | Basic project cost INR/Wp | Total basic project cost (₹ in lakhs) | MPEB charges (₹ in lakhs) | Total project cost (in lakhs)# | Quantity | Date of Quotation | Validity of Quotation |
|--------------|--|---------------------------|---------------------------------------|---------------------------|--------------------------------|----------|-------------------|-----------------------|
| 1. | 49.04kWp - Solar Pv System (540Wp, 144 – Cell, Half Cut Monocrystalline) Structure type: Elevation on tin share Inverter details: 100.00 kWp + 33 kWp Three Phase (solar edge inverter with power optimizer) | 35 | 52.50 | 0.98 | 53.48 | 1 | August 13, 2024 | 6 months |
| Total | | | | | 53.48* | | | |

*The above price includes services like Design, Engineering, Installation and Commissioning.

#Excluding applicable taxes

As per the aforementioned quotation, Warea Energies Limited shall be responsible for the following activities:

- Completion of net metering procedure,
- Commissioning;
- supply of solar panels and other ancillary AC and DC equipment;
- civil work for installation of rooftop on grid solar power plant; and
- Liaisoning, procurement and obtaining approvals from MPEB for net-metering.

Schedule of implementation of the aforesaid objects:

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

In the event, our Company receives a quotation from a vendor, which is lower than the quote mentioned above, our Company shall reserve the right of finalising the said quote, in order to ensure effective utilisation of the Net Proceeds.

2. Funding of working capital requirements

We propose to utilize up to ₹ 1,000 lakhs from the Net Proceeds to fund the working capital requirements of our Company in the Financial Year 2025 & 2026.

Basis of estimation of working capital requirement and estimated working capital requirements

The Company's working capital requirements for the 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 |
|-------------------------------|-----------------|-----------------|-----------------|---------------|
| Current Assets | | | | |
| 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 |
| Total (A) | 2,601.81 | 1,826.24 | 1,129.67 | 560.98 |

| Particulars | June 30,2024 | March 31,2024 | March 31,2023 | March 31,2022 |
|------------------------------------|-----------------|-----------------|---------------|---------------|
| Current Liabilities | | | | |
| 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 |
| Total (B) | 670.30 | 641.36 | 390.46 | 129.11 |
| Net Working Capital (A)-(B) | 1,931.51 | 1,184.88 | 739.21 | 431.87 |
| Sources of Working Capital | | | | |
| Borrowings | 839.79 | 493.57 | 413.00 | 263.84 |
| Net worth | 1,091.72 | 691.31 | 326.21 | 168.03 |

On the basis of our existing working capital requirements and the estimated working capital requirements, our Board, pursuant to their resolution dated October 9, 2024 has approved the projected working capital requirements for Financial Years 2025 and 2026 and the proposed funding of such working capital requirements as stated below:

(₹ in lakhs)

| Particulars | March 31, 2026 | March 31, 2025 |
|------------------------------------|-----------------|-----------------|
| Current Assets | | |
| Inventories | 2,049.55 | 1,576.58 |
| Trade Receivables | 493.85 | 379.88 |
| Cash and Bank Balance | 140.00 | 100.00 |
| Short Term Loans and Advances | 191.59 | 153.28 |
| Other Current Assets | 29.24 | 23.77 |
| Total (A) | 2,904.23 | 2,233.51 |
| Current Liabilities | | |
| Trade Payables | 330.00 | 350.00 |
| Other Current Liabilities | 56.00 | 52.00 |
| Short Term Provisions | 126.32 | 114.84 |
| Total (B) | 512.32 | 516.84 |
| Net Working Capital (A)-(B) | 2,391.91 | 1,716.67 |
| Sources Of Working Capital | | |
| Borrowings | 850.00 | 850.00 |
| Net worth | 941.91 | 466.67 |
| IPO Proceeds | 600.00 | 400.00 |

Assumptions

| Particulars | As At March 31, | | | | | |
|-------------------|-----------------|----------------|---------------|----------------|----------------|----------------|
| | March 31, 2026 | March 31, 2025 | June 30, 2024 | March 31, 2024 | March 31, 2023 | March 31, 2022 |
| Inventories | 158 | 167 | 169 | 169 | 136 | 69 |
| Trade Receivables | 38 | 38 | 62 | 27 | 32 | 50 |
| Trade Payables | 56 | 92 | 121 | 119 | 97 | 44 |

Justifications

| Particulars | Justification |
|-------------|---|
| Inventory | Over the past three fiscal years, inventory days have gradually increased. In Fiscal 2022, inventory days were recorded at 69 days, rising to 136 days in Fiscal 2023, and further to 169 days in Fiscal 2024. For the period from April to June 2024, inventory days were 169 days as of June 30, 2024. Moving forward, we expect to maintain a consistent level of 167 days for Fiscal 2024 and 158 days for Fiscal 2025. |

| Particulars | Justification |
|-------------------|--|
| | Large quantities of fresh produce are purchased during peak harvest seasons and then dehydrated for sale during off-peak periods. This approach, along with the long shelf life of dehydrated products, enables us to meet year-round demand and maintain a buffer against market fluctuations. However, the projected decrease in inventory days reflects efforts to implement improved inventory management practices. These practices aim to optimize holding costs while ensuring that product availability aligns with growing demand. |
| Trade Receivables | <p>Over the past three fiscal years, our company has seen fluctuations in trade receivables days. These days decreased from 50 in Fiscal 2022 to 32 in Fiscal 2023, and further to 27 days in Fiscal 2024. However, there was a notable increase to 62 days for the period ending June 30, 2024. Looking ahead, we anticipate stabilizing at 38 days for both Fiscal 2025 and 2026.</p> <p>The initial downward trend showcases our success in improving collection efficiency and managing working capital. The spike observed during the April to June 2024 period likely results from seasonal factors typical of the dehydration business, where sales peak, but payments may be delayed due to customers' cash flow management.</p> <p>We project stabilization at 38 days for the upcoming fiscal years as we adopt a balanced approach to customer credit. This strategy allows us to accommodate the typical payment cycles within the food processing industry while maintaining efficient control over working capital. By optimizing our credit policies, we aim to support growth and nurture customer relationships without overextending our receivables position in the long term.</p> |
| Trade Payables | <p>Over the past three fiscal years, the company has seen decrease 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> |

3. Repayment and/or pre-payment, in part or full, of certain borrowings availed by our Company

Our Company has entered into various financing arrangements from time to time, with various lenders. The financing arrangements availed by our Company include, *inter alia*, unsecured loans, credit facility and term loans. For disclosure of our Company's secured and unsecured borrowings as on August 31, 2024, please refer to chapter titled "*Financial Indebtedness*" beginning on page 229.

As at August 31, 2024, our term loans aggregated to ₹ 542.50 lakhs. Our Company proposes to utilise an estimated amount up to ₹ 542.50 lakhs from the Net Proceeds of the Offer towards full or partial repayment or pre-payment of such outstanding borrowings availed by our Company. In the event the Net Proceeds are insufficient for payment of pre-payment penalty or accrued interest, as applicable, such payment shall be made from the internal accruals of our Company. We may choose to repay and/or pre-pay certain borrowings availed by us, other than those identified in the table below, which may include additional borrowings we may avail after the filing of this Draft Red Herring Prospectus. Given the nature of these borrowings and the terms of repayment/pre-payment, the aggregate outstanding borrowing amounts may vary from time to time. In light of the above, at the time of filing the Red Herring Prospectus or Prospectus with the RoC, the details in this chapter shall be suitably updated to reflect the revised amounts or loans as the case may be which have been availed by us. In the event our Board deems appropriate, the amount allocated for

estimated schedule of deployment of Net Proceeds in a particular Fiscal may be repaid/ pre-paid in part or full by our Company in the subsequent Fiscal.

However, the aggregate amount to be utilised from the Net Proceeds towards repayment and/or prepayment, in part or full, of certain borrowings, would not exceed ₹ 542.50 Lakhs. In light of the above, at the time of filing the Prospectus, the table below shall be suitably updated to reflect the revised amounts or additional loans, as the case may be.

We believe that such repayment/ pre-payment will help reduce our outstanding indebtedness, debt servicing costs and enable utilisation of our internal accruals for further investment in the growth and expansion of our business. Such reduction of our outstanding indebtedness will also help us to improve our ability to raise further resources in the future to fund our potential business development opportunities and plans to grow and expand our business.

The following table provides details of loans and facilities as at August 31, 2024, which are proposed to be pre-paid or partly or fully repaid by our Company from the Net Proceeds:

(₹ in lakhs)

| S. No. | Name of the entity | Details of loans availed | Amount Sanctioned | Date of Sanction | Outstanding loans as on August 31, 2024 (in Rs. Lakhs) | Net Proceeds proposed to be utilised | Purpose of availing loans | Interest rate (%) P.A | Whether repayable on demand | Prepayment penalties, if any | Important terms of the loans |
|--------|---------------------|--------------------------|-------------------|------------------|--|--------------------------------------|---------------------------|---|-----------------------------|--|---|
| 1. | State Bank of India | Term Loan 1: | 51.00 | May 15, 2024 | 48.51 | 48.51 | Capital Expenditure | 1% above EBLR which is presently 9.15% p.a. | 47 months | 2% prepayment penalty in case of takeover and no prepayment charges applicable in case owned funds are utilized for foreclosure for MSME units | a) Equitable mortgage of factory land and building at diverted land survey no.9/2/1/2 Rakba 0.523 Hect. Village Gawli, Tehsil and Dist Dhar Admeasuring 0.523 Hect.in the name of Sawaliya Food Products Pvt Ltd Boundaries :-East-Govt Road West- Land of survey no.9/2/1/1 North-Road South-Land of survey no.9/2/2 |
| 2. | | Term Loan 2: | 89.00 | | 85.75 | 85.75 | Capital Expenditure | | 58 months | | |
| 3. | | Term Loan 3: | 76.00 | | 70.62 | 70.62 | Capital Expenditure | | 35 months | | |
| 4. | | Term Loan 4: | 347.00 | | 337.62 | 337.62 | Capital Expenditure | | 71 months | | |
| | | | | | | | | | | | b) Hypothecation of plant and Machinery |

| S. No. | Name of the entity | Details of loans availed | Amount Sanctioned | Date of Sanction | Outstanding loans as on August 31, 2024 (in Rs. Lakhs) | Net Proceeds proposed to be utilised | Purpose of availing loans | Interest rate (%) P.A | Whether repayable on demand | Prepayment penalties, if any | Important terms of the loans |
|--------------|--------------------|--------------------------|-------------------|------------------|--|--------------------------------------|---------------------------|-----------------------|-----------------------------|------------------------------|---|
| | | | | | | | | | | | at factory of Sawaliya food products pvt ltd situated at survey no,9/2/1/2, Village Gawli, Tehsil and Dist Dhar |
| Total | | | 563 | | 542.50 | 542.50 | | | | | |

^In accordance with Clause 9(A) (2)(b) of Part A of Schedule VI of the SEBI ICDR Regulations, we have obtained a certificate dated October 9, 2024 from the Statutory Auditors M/s Maheshwari and Gupta, Chartered Accounts (ICAI Firm Registration No.: 006179C) (UDIN: 24403346BKALPD3331), certifying that the borrowings have been utilized towards the purposes for which such borrowings were availed by us. For further details, see "Financial Indebtedness" on page 229 of this Draft Red Herring Prospectus.

In case we are unable to raise the Offer Proceeds till the due date for repayment of any of the abovementioned portion of the loans, the funds earmarked for such repayment that is ₹542.50 Lakhs from the Net Proceeds may be utilised for payment of future instalments of the above-mentioned loan.

We clarify that the aforementioned loans have been utilized for capital expenditure by our Company.

In addition to the above, we may, from time to time, enter into further financing arrangements and draw down funds thereunder. In such cases or in case any of the above loans are prepaid, repaid, redeemed (earlier or scheduled), refinanced or further drawn down prior to the completion of the Issue, we may utilize Net Proceeds towards prepayment and/or repayment of such additional indebtedness availed by us, details of which shall be provided in the Red Herring Prospectus.

No portion of the Net Proceeds, that will be utilised for repayment / prepayment, in full or part, of certain borrowings availed by our Company, will be directly or indirectly routed to our Promoters, members of the Promoter Group, Directors, Key Managerial Personnel or Senior Management.

We confirm that except as disclosed in the chapter titled "Risk Factors – Risk Factor – 15 - There have been instances of delay in repayment of loans in the past. We cannot assure you that any such delays shall not occur in the future or that such delays would not trigger any restrictive covenants or events of default as per the agreements executed with our lenders" on page 40, there have been no instances of delays, defaults and rescheduling / restructuring of our borrowings or loans.

4. General Corporate Purposes

Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes. We intend to deploy the balance Fresh Issue proceeds aggregating ₹ [●] Lakhs towards the general corporate purposes to drive our business growth. In accordance with the policies set up by our Board, we have flexibility in applying the remaining Net Proceeds, for general corporate purpose including but not restricted to, meeting operating expenses, initial development costs for projects other than the identified projects, and the strengthening of our business development and marketing capabilities, meeting exigencies, which the Company in the ordinary course of business may not foresee or any other purposes as approved by our Board of Directors, subject to compliance with the necessary provisions of the Companies Act, 2013.

Offer Related Expenses

We confirm that any Offer related expenses shall not be considered as a part of General Corporate Purpose. Further in case, our actual Offer expenses turn to be lesser than the estimated Offer expenses of Rs. [●] lakhs, such surplus amount shall be utilized for General Corporate Purpose in such a manner that the amount for general corporate purposes, as mentioned in the Prospectus, shall not exceed 25% of the amount raised by our Company through this Issue.

The total expenses of the Offer are estimated to be approximately ₹[●] lakhs. The expenses of this Offer include, among others, listing fees, selling commission and brokerage, fees payable to the BRLM, fees payable to legal counsel, fees payable to the Registrar to the Offer, Escrow Collection Bank(s) and Sponsor Bank to the Offer, processing fee to the SCSBs for processing application forms, brokerage and selling commission payable to members of the Syndicate, Registered Brokers, CRTAs and CDPs, printing and stationery expenses, advertising and marketing expenses, fees payable to consultants and auditors for deliverables in connection with the Offer and all other incidental and miscellaneous expenses for listing the Equity Shares on the Stock Exchange.

Other than (i) the listing fees which shall be solely borne by the Company; and (ii) all costs, fees and expenses that are associated with and incurred in connection with the Offer shall be borne by the Company and each of the Selling Shareholders solely based on the following: (i) by the Company in relation to the Equity Shares issued and allotted by the Company in the Fresh Issue; and (ii) by the Selling Shareholders in proportion to their respective number of the Offered Shares sold and transferred in the Offer for Sale, in accordance with Applicable Law, including section 28(3) of Companies Act, 2013. All estimated Offer related expenses to be proportionately borne by the Selling Shareholders shall be deducted from the proceeds of the Offer for Sale, and subsequently, the balance amount from the Offer for Sale will be paid to the Selling Shareholders. In the event, any expense is paid by our Company on behalf of the Selling Shareholders in the first instance, it will be reimbursed to our Company, by the Selling Shareholders to the extent of its respective proportion of Offer related expenses, directly from the Public Offer Account.

It is clarified that, if the offer is withdrawn or not completed for any reason whatsoever, all Offer related expenses shall be shared between our Company and the Selling Shareholders in proportion to the number of Equity Shares offered by our Company through the Fresh Issue and the number of Offered Shares offered by the Selling Shareholder in the Offer for Sale, in accordance with Applicable Law.

The break-up of the estimated Offer expenses are set forth below:

| Expenses | Estimated expenses ⁽¹⁾ (in ₹ lacs) | As a % of the total estimated Offer expenses ⁽¹⁾ | As a % of the total Gross Offer Proceeds ⁽¹⁾ |
|--|--|---|---|
| Offer relating expenses such as fees to Book Running Lead manager Fixed Fee, Registrar to the Issue, Legal Advisors, Auditors, statutory advertisements and other expenses incurred / to be incurred including promotional expenses. | [●] | [●] | [●] |
| Underwriting commission, brokerage and selling commission (including Commission/ processing fees for SCSBs, Sponsor Bank, Members of the Syndicate, Registered Brokers, RTAs and CDPs ⁽²⁾⁽³⁾) | [●] | [●] | [●] |
| Listing fees, Stock Exchange processing/ listing fees, software fees, Depositories' fees, other regulatory expenses and sundry expenses. | [●] | [●] | [●] |
| Total estimated Offer expenses | [●] | [●] | [●] |

*Please note that the cost mentioned is an estimate quotation as obtained from the respective parties and excludes GST, interest rate and inflation cost. The amount deployed so far toward Offer expenses shall be recouped out of the Offer proceeds.

Notes:

Structure for commission and brokerage payment to the SCSBs Syndicate, RTAs, CDPs and SCSBs

1. The fund deployed towards issue expenses is ₹ [●] lakhs pursuant to certificate issued by our Statutory Auditor dated [●] and the same will be recouped out of Offer expenses.
2. Includes Selling commission payable to registered broker, SCSBs, RTAs, CDPs on the portion directly procured from Retail Individual Applicants and Non – Institutional Applicants, would be [●]% on the allotment amount on the application wherein shares are allotted.
3. Includes commission/Processing fees of ₹ [●] per valid application forms for SCSBs. In case the total processing fees payable to SCSBs exceeds ₹ [●] lakhs, then the amount payable to SCSBs would be proportionately distributed based on the number of valid applications such that the total Processing Fees payable does not exceed ₹ [●] lakhs.

The Offer expenses shall be payable in accordance with the arrangements or agreements entered into by our Company with the respective Designated Intermediary.

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, 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.

Bridge Loan

Our Company has not raised any bridge loans which are required to be repaid from the Net Proceeds.

Monitoring of Utilisation of Funds

In accordance with Regulation 262 of the SEBI ICDR Regulations, since the Net Proceeds do not exceed ₹ 10,000.00 lakhs, appointment of monitoring agency is not applicable.

Variation in Objects of the Offer

In accordance with Sections 13(8) and 27 of the Companies Act, 2013, our Company shall not vary the Objects of the Offer unless our Company is authorised to do so by way of a special resolution of its Shareholders through a postal ballot and such variation will be in accordance with the applicable laws including the Companies Act, 2013 and the SEBI ICDR Regulations. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution shall specify the prescribed details and be published in accordance with the Companies Act, 2013. The Postal Ballot Notice shall simultaneously be published in the newspapers, one in English, and one in Hindi, the vernacular language of the jurisdiction where our Registered Office is situated. Our Promoters will be required to provide an exit opportunity to such Shareholders who do not agree to the above stated proposal to vary the objects, at a price and in such manner as may be prescribed by SEBI in Regulation 290 and Schedule XX of the SEBI ICDR Regulations.

Appraising Entity

None of the Objects for which the Net Proceeds will be utilised have been appraised by any bank/ financial institution or any other agency.

Other Confirmations

Except for the proceeds payable to the Promoter Selling Shareholders pursuant to the Offer for Sale, no part of the Net Proceeds will be paid to our Promoters, Promoter Group, Directors, or our Key Managerial Personnel and Senior Management, except in the ordinary course of business. Our Company has not entered into nor has planned to enter into any arrangement/ agreements with our Promoters, Promoter Group, Directors or our Key Management Personnel in relation to the utilisation of the Net Proceeds.

BASIS FOR OFFER PRICE

The Price Band and the Offer Price will be determined by our Company in consultation with the BRLM, and on the basis of assessment of market demand for the Equity Shares Issued through the Book Building Process and the quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹ 10 each and the Floor Price is [●] times the face value and the Cap Price is [●] times the face value.

Investors should refer to “*Risk Factors*”, “*Our Business*”, “*Financial Information*” and “*Management Discussion and Analysis of Financial Position and Results of Operations*” on pages 28, 130, 183 and 218, respectively, to have an informed view before making an investment decision.

Qualitative Factors

Some of the qualitative factors which form the basis for computing the Offer Price are:

- Premier customer base leading to stability in our business operations
- Flexible and diversified product portfolio
- Sustainable business operations
- Quality Assurance and Quality Control of our products.
- Strategically located manufacturing facilities with modern infrastructure and integrated manufacturing facilities with a core focus on quality.
- Cost efficient sourcing and locational advantage
- Well experienced management team with proven project management and implementation skills.

For further details, see “*Risk Factors*” and “*Our Business*” on pages 28 and 130, respectively.

Quantitative Factors

The information presented in this section is derived from our Restated Financial Statements. For details, see “*Financial Information*” on page 183. Investors should evaluate our Company and form their decisions taking into consideration its earnings and based on its growth strategy. Some of the quantitative factors which may form the basis for computing the Offer price are as follows:

1. Basic and Diluted Earnings per Share (EPS), as adjusted for changes in capital.

| Year ended | Basic EPS (in ₹) | Diluted EPS (in ₹) | Weight |
|-------------------------------------|-------------------------|---------------------------|---------------|
| Fiscal 2024 | 4.50 | 4.50 | 3 |
| Fiscal 2023 | 0.81 | 0.81 | 2 |
| Fiscal 2022 | 1.00 | 1.00 | 1 |
| Weighted Average | 2.69 | 2.69 | |
| For the period ended June 30, 2024* | 2.04 | 2.04 | |

*Not annualised

Notes:

- a) *Weighted average = Aggregate of year-wise weighted EPS divided by the aggregate of weights, i.e. (EPS x weight) for each year divided by the total of weights.*
- b) *Basic and diluted EPS are based on the Restated Financial Information.*
- c) *The face value of each Equity Share is ₹10.*
- d) *Earnings per Share (₹) = Profit after tax excluding exceptional items attributable to equity shareholders for the year/period divided by the weighted average no. of equity shares. The weighted average number of Equity Shares outstanding during the year.*
- e) *Basic EPS and diluted EPS calculations are in accordance with Accounting Standard 20 ‘Earnings per Share’.*
- f) *Adjusted for equity shares allotted under bonus issue in the ratio of 3:8 post June 30, 2024.*

2. Price / Earning (P/E) Ratio in relation to Price band of ₹ [●] to ₹ [●] per Equity Share

| Particulars | P/E at the lower end of the price band (no. of times) * | P/E at the higher end of the price band (no. of times) * |
|--|---|--|
| a) P/E ratio based on Basic EPS as at March 31, 2024 | [●] | [●] |
| b) P/E ratio based on Diluted EPS as at March 31, 2024 | [●] | [●] |

* To be updated at Prospectus stage.

Industry Price / Earning (P/E) Ratio

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

| Particulars | P/E ratio |
|----------------|--------------|
| Industry | |
| Highest | 39.34 |
| Lowest | 39.34 |
| Average | 39.34 |

Notes: P/E ratio has been computed based on the closing market price of equity shares on BSE as on September 24, 2024, divided by the diluted EPS for the year ended March 31, 2024.

3. Return on Net Worth (RONW):

| Year ended | RoNW (%) | Weight |
|-------------------------------------|--------------|--------|
| Fiscal 2024 | 56.04 | 3 |
| Fiscal 2023 | 23.00 | 2 |
| Fiscal 2022 | 36.89 | 1 |
| Weighted Average | 41.83 | |
| For the period ended June 30, 2024* | 20.23 | |

*Not annualised

Notes:

- RoNW = Net Profit after tax, as restated divided by Net-worth, as restated (Net worth include share capital and reserves and surplus)
- The figures disclosed above are based on the Restated Financial Statements of our Company.

4. Net Asset Value (NAV) per Equity Share

| Financial Year | Net Asset Value per equity shares |
|---|-----------------------------------|
| Net Asset Value per Equity Share as of June 30, 2024 | 10.07 |
| Net Asset Value per Equity Share as of March 31, 2024 | 8.03 |
| After Completion of the Offer | |
| - At the Floor Price | [●] |
| - At the Cap Price | [●] |
| Offer Price | [●] |

Notes:

- Net asset value per equity share is calculated as net worth as of the end of relevant period divided by the weighted average number of equity shares outstanding at the end of the period. Net worth represents the aggregate value of equity share capital, instruments entirely equity in nature and other equity and are based on Restated Financial Information.
- Adjusted for equity shares allotted under bonus issue in the ratio of 3:8 post June 30, 2024.

5. Comparison with listed industry peer:

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

| Name Of the Company | For the year ended 2024 | | | | | | |
|--------------------------------|-------------------------|---|---------------|-----------------|----------------------------|-------------------------|--------------------------|
| | Face value (₹) | Revenue from operations (₹ in lakhs) ⁽¹⁾ | Basic EPS (₹) | Diluted EPS (₹) | P/E (based on Diluted EPS) | Return on net worth (%) | NAV per Equity Share (₹) |
| Sawaliya Food Products Limited | 10 | 2,339.78 | 4.50 | 4.50 | [●] | 56.04 | 10.07 |

| Name Of the Company | For the year ended 2024 | | | | | | |
|---------------------|-------------------------|---|---------------|-----------------|----------------------------|-------------------------|--------------------------|
| | Face value (₹) | Revenue from operations (₹ in lakhs) ⁽¹⁾ | Basic EPS (₹) | Diluted EPS (₹) | P/E (based on Diluted EPS) | Return on net worth (%) | NAV per Equity Share (₹) |
| Peer Group | | | | | | | |
| ADF Foods Limited | 2 | 52,033.01 | 6.85 | 6.85 | 34.94 | 17.15 | 40.15 |

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 NSE 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 September 24, 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.

Investors should read the above mentioned information along with “Risk Factors”, “Our Business”, Management Discussion and Analysis of Financial Position and Results of Operations” and “Financial Information” on pages 28, 130, 218 and 183, respectively, to have a more informed view. The trading price of the Equity Shares could decline due to the factors mentioned in the “Risk Factors” and you may lose all or part of your investments.

6. Key financial and operational performance indicators (“KPIs”)

The KPIs disclosed below have been used historically by our Company to understand and analyse the business performance, which in result, help us in analysing the growth of various verticals.

Our Company confirms that it shall continue to disclose all the KPIs included in this section on a periodic basis, at least once in a year (or any lesser period as determined by the Board of our Company), for a duration of one year after the date of listing of the Equity Shares on the Stock Exchange or till the complete utilisation of the proceeds of the Fresh Issue as per the disclosure made in the Objects of the Offer Section, whichever is later or for such other duration as may be required under the SEBI ICDR Regulations.

| KPI | Explanations |
|---------------------------------------|--|
| Revenue from Operations (₹ Lakhs) | Revenue from Operations is used by our management to track the revenue profile of the business and in turn helps assess the overall financial performance of our Company and size of our business. |
| Total Revenue | Total Revenue is used to tack the total revenue generated by the business including other income. |
| EBITDA (₹ Lakhs) | EBITDA provides information regarding the operational efficiency of the business. |
| EBITDA Margin (%) | EBITDA Margin is an indicator of the operational profitability and financial performance of our business. |
| Profit After Tax (₹ Lakhs) | Profit after tax provides information regarding the overall profitability of the business. |
| PAT Margin | PAT Margin is an indicator of the overall profitability and financial performance of our business. |
| RoE (%) | RoE provides how efficiently our Company generates profits from shareholders’ funds. |
| Debt To Equity Ratio | Debt-to-equity (D/E) ratio is used to evaluate a company’s financial leverage. |
| Interest Coverage Ratio | The interest coverage ratio is a debt and profitability ratio used to determine how easily a company can pay interest on its outstanding debt. |
| Return on Capital employed (RoCE) (%) | It is calculated as profit before tax plus finance costs divided by total equity plus non-current liabilities. |
| Current Ratio | It tells management how business can maximize the current assets on its balance sheet to satisfy its current debt and other payables. |
| Net Capital Turnover Ratio | This metric enables us to track the how effectively company is utilizing its working capital to generate revenue. |

The KPIs disclosed below have been approved by a resolution of our Audit Committee dated October 9, 2024 and the members of the Audit Committee have verified the details of all KPIs pertaining to the Company. Further, the members of the Audit Committee have confirmed that there are no KPIs pertaining to our Company that have been disclosed to

any investors at any point of time during the three years period prior to the date of filing of this DRHP. Further, the KPIs herein have been certified by the Statutory Auditors M/s Maheshwari and Gupta, Chartered Accounts (ICAI Firm Registration No.: 006179C), by their certificate dated October 9, 2024.

Financial KPI of our Company

| Sr No. | Metric | As of and for the period ended June 30, 2024* | As of and for the Fiscal | | |
|--------|---------------------------------------|---|--------------------------|----------|----------|
| | | | 2024 | 2023 | 2022 |
| 1 | Revenue From operations (₹ in Lakhs) | 742.53 | 2,339.78 | 1,508.87 | 1,356.26 |
| 2 | Total Income (₹ in Lakhs) | 751.91 | 2,367.04 | 1,530.26 | 1,364.64 |
| 3 | Operating EBITDA (₹ in Lakhs) | 259.78 | 597.68 | 161.05 | 140.71 |
| 4 | Operating EBITDA Margin (%) | 34.99 | 25.54 | 10.67 | 10.38 |
| 5 | Profit After Tax (₹ in Lakhs) | 148.98 | 329.23 | 59.41 | 73.37 |
| 6 | PAT Margin (%) | 20.06 | 14.07 | 3.94 | 5.41 |
| 7 | Return on Equity (ROE) (%) | 22.50 | 77.85 | 25.99 | 45.06 |
| 8 | Return on Capital Employed (ROCE) (%) | 14.27 | 47.32 | 13.67 | 20.61 |
| 9 | Debt to Equity Ratio | 2.81 | 2.20 | 5.17 | 3.54 |
| 10 | Current Ratio | 1.54 | 1.39 | 1.24 | 1.17 |
| 11 | Net Capital Turnover Ratio | 0.81 | 4.60 | 6.96 | 16.65 |

*Not annualised

Notes:

- a) As certified by the Statutory Auditors M/s Maheshwari and Gupta, Chartered Accounts (ICAI Firm Registration No.: 006179C) pursuant to their certificate dated October 9, 2024. The Audit committee in its resolution dated October 9, 2024 has confirmed that the Company has not disclosed any KPIs to any investors at any point of time during the three years preceding the date of this Draft Red Herring Prospectus other than as disclosed in this section.
- b) Revenue from Operations means the Revenue from Operations as appearing in the Restated Financial Statements.
- c) Operating EBITDA refers to earnings before interest, taxes, depreciation, amortization less other income.
- d) Operating EBITDA Margin refers to Operating EBITDA during a given period as a percentage of revenue from operations during that period.
- e) PAT Margin quantifies our efficiency in generating profits from our revenue and is calculated by dividing our net profit after taxes by revenue from operations.
- f) Return on equity (RoE) is equal to profit for the year divided by the Average total equity and is expressed as a percentage.
- g) RoCE (Return on Capital Employed) (%) is calculated as EBIT divided by capital employed. Capital employed is calculated as Total Equity plus Long term Debt.
- h) Debt to Equity ratio is calculated by dividing the total debt by total equity.
- i) Current Ratio is a liquidity ratio that measures our ability to pay short-term obligations (those which are due within one year) and is calculated by dividing the current assets by current liabilities.
- j) Net Capital Turnover Ratio quantifies our effectiveness in utilizing our working capital and is calculated by dividing our revenue from operations by our working capital (i.e., current assets less current liabilities).

See “Management Discussion and Analysis of Financial Position and Results of Operations” on page 218 for the reconciliation and the manner of calculation of our key financial performance indicators.

For further information in relation to historical use of such KPIs by our Company to monitor the operational and/or financial performance of our Company, “Our Business—Key Performance Indicators” on page 132.

Comparison of financial KPIs and Operational KPIs of our Company and our listed peer.

| Metric | Sawaliya Food Products Limited | | | ADF Foods Limited | | |
|---------------------------------------|--------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | As of and for the Fiscal 2024 | As of and for the Fiscal 2023 | As of and for the Fiscal 2022 | As of and for the Fiscal 2024 | As of and for the Fiscal 2023 | As of and for the Fiscal 2022 |
| Revenue From operations (₹ in Lakhs) | 2,339.78 | 1,508.87 | 1,356.26 | 52,033.01 | 45,028.48 | 42,120.24 |
| Total revenue (₹ in lakhs) | 2,367.04 | 1,530.26 | 1,364.64 | 53,139.40 | 46,149.53 | 43,066.39 |
| Operating EBITDA (₹ in lakhs) | 597.68 | 161.05 | 140.71 | 10,493.77 | 8,064.06 | 6,656.50 |
| Operating EBITDA Margin (%) | 25.54 | 10.67 | 10.38 | 20.17 | 17.91% | 15.80% |
| Profit after tax (₹ in lakhs) | 329.23 | 59.41 | 73.37 | 7,378.78 | 5,585.49 | 4,852.26 |
| PAT Margin (%) | 14.07 | 3.94 | 5.41 | 14.18 | 12.40 | 11.52 |
| Return on Equity (ROE) (%) | 77.85 | 25.99 | 45.06 | 17.15 | 14.66 | 15.74 |
| Return on Capital Employed (ROCE) (%) | 47.32 | 13.67 | 20.61 | 20.50 | 16.66 | 16.60 |
| Debt to Equity Ratio | 2.20 | 5.17 | 3.54 | 0.13 | 0.13 | 0.20 |
| Current Ratio | 1.39 | 1.24 | 1.17 | 6.67 | 7.66 | 5.36 |
| Net Capital Turnover Ratio | 4.60 | 6.96 | 16.65 | 1.75 | 1.57 | 1.73 |

Notes:

- a) Revenue from Operations means the Revenue from Operations as appearing in the Restated Financial Statements.
- b) Operating EBITDA refers to earnings before interest, taxes, depreciation, amortization less other income.
- c) Operating EBITDA Margin refers to operating EBITDA during a given period as a percentage of revenue from operations during that period.
- d) PAT Margin quantifies our efficiency in generating profits from our revenue and is calculated by dividing our net profit after taxes by revenue from operations.
- e) Return on equity (RoE) is equal to profit for the year divided by the Average total equity and is expressed as a percentage.
- f) RoCE (Return on Capital Employed) (%) is calculated as EBIT divided by capital employed. Capital employed is calculated as Total Equity plus Long term Debt (Debt includes lease liabilities) .
- g) Debt to Equity ratio is calculated by dividing the total debt (Debt includes lease liabilities) by total equity.
- h) Current Ratio is a liquidity ratio that measures our ability to pay short-term obligations (those which are due within one year) and is calculated by dividing the current assets by current liabilities.
- i) Net Capital Turnover Ratio quantifies our effectiveness in utilizing our working capital and is calculated by dividing our revenue from operations by our working capital (i.e., current assets less current liabilities).

7. Weighted average cost of acquisition (“WACA”), floor price and cap price

- (a) The price per share of our Company based on the primary / new issue of shares (equity / convertible securities)

There have been no primary/ new issue of Equity Shares or convertible securities, excluding shares issued under ESOP/ESOS and issuance of bonus shares, during the 18 months preceding the date of this Draft Red Herring Prospectus, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of our Company (calculated based on the pre-Issue capital before such transaction(s) and excluding ESOPs granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days

(b) The price per share of our Company based on secondary sale/ acquisitions of shares (equity / convertible securities)

There have been no secondary sale/ acquisitions of Equity Shares or any convertible securities, where our Promoters, members of our Promoter Group or Shareholder(s) having the right to nominate director(s) in the Board of Directors of the Company are a party to the transaction (excluding gifts), during the 18 months preceding the date of this DRHP, where either acquisition or sale is equal to or more than 5% of the fully diluted paid up share capital of the Company (calculated based on the pre-Issue capital before such transaction(s) and excluding ESOPs granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days

Since there are no such transactions to report to under (a) and (b) therefore, information based on last five primary or secondary transactions (secondary transactions where our Promoters/ members of our Promoter Group or Shareholder(s) having the right to nominate director(s) in the Board of our Company, are a party to the transaction), during the three years prior to the date of this Draft Red Herring Prospectus irrespective of the size of transactions, is as below

Primary transactions

| Date of allotment | No. of equity shares allotted | Face value per equity share (₹) | Issue price per equity share (₹) | Nature of allotment | Nature of consideration | Total Consideration (in ₹ lakhs) |
|---|-------------------------------|---------------------------------|----------------------------------|--|-------------------------|----------------------------------|
| May 23, 2024 | 51,96,576 | 10 | - | Bonus issue in the ratio of 42 (forty-two) bonus shares for every 1 (one) existing Equity Share. | Other than cash | - |
| September 02, 2024 | 19,95,116 | 10 | - | Bonus issue in the ratio of 3 (three) bonus shares for every 8 (eight) existing Equity Share. | Other than cash | - |
| Weighted average cost of acquisition (WACA) | | | | | | Nil |

Secondary Transactions

| Date of Transfer | Name of Transferor | Name of Transferee | No. of Securities | Face value of Securities | Price of securities (₹) | Nature of transaction | Nature of consideration | Total Consideration (in ₹ lakhs) |
|------------------|--------------------|--------------------|-------------------|--------------------------|-------------------------|-----------------------|-------------------------|----------------------------------|
| May 15, 2024 | Kamla Bai Somani | Priya Somani | 7,542 | 10 | NA | Gift | Other than cash | - |
| May 15, 2024 | Kamla Bai Somani | Vranda Baheti | 13,904 | 10 | NA | Gift | Other than cash | - |

| Date of Transfer | Name of Transferor | Name of Transferee | No. of Securities | Face value of Securities | Price of securities (₹) | Nature of transaction | Nature of consideration | Total Consideration (in ₹ lakhs) |
|--|---------------------|--------------------|-------------------|--------------------------|-------------------------|-----------------------|-------------------------|----------------------------------|
| May 25, 2024 | Krishna Kant Somani | Kamla Bai Somani | 10 | 10 | 500 | Transfer | Cash | 0.05 |
| July 18, 2024 | Vranda Baheti | Raghav Somani | 1,92,530 | 10 | NA | Gift | Other than cash | - |
| July 18, 2024 | Hansa Somani | Raghav Somani | 7,09,366 | 10 | NA | Gift | Other than cash | - |
| July 18, 2024 | Madhav Somani | Raghav Somani | 1,92,530 | 10 | NA | Gift | Other than cash | - |
| July 18, 2024 | Vranda Baheti | Priya Somani | 1,92,530 | 10 | NA | Gift | Other than cash | - |
| July 18, 2024 | Madhav Somani | Priya Somani | 7,34,760 | 10 | NA | Gift | Other than cash | - |
| July 18, 2024 | Krishna Kant Somani | Priya Somani | 7,09,356 | 10 | NA | Gift | Other than cash | - |
| Weighted average cost of acquisition (WACA) | | | | | | | | Nil |

Floor price and cap price being [●] times the weighted average cost of acquisition (WACA) based on primary/ secondary transaction(s) as disclosed in terms of clause (a) and (b), shall be disclosed in the following manner:

| Past Transactions | Weighted average cost of acquisition | Floor Price | Cap Price |
|--|--------------------------------------|-------------|-----------|
| | (₹) | ₹[●] | ₹[●] |
| WACA of Equity Shares that were issued by our Company | N.A. | N.A. | N.A. |
| WACA of Equity Shares that were acquired or sold by way of secondary transactions | N.A. | N.A. | N.A. |
| Since there were no primary or secondary transactions of equity shares of our Company during the 18 months preceding the date of filing of this Draft Red Herring Prospectus, the information has been disclosed for price per share of our Company based on the last five primary or secondary transactions where our Promoters/members of our Promoter Group or Shareholder(s) having the right to nominate director(s) on the Board of our Company, are a party to the transaction, during the three years prior to the date of filing of this Draft Red Herring Prospectus irrespective of the size of the transaction, is as below: | | | |
| a) Based on primary issuances | Nil | [●] | [●] |
| b) Based on secondary transactions | Nil | [●] | [●] |

8. Justification for Basis for Offer Price.

Explanation for Offer Price / Cap Price being [●] price of weighted average cost of acquisition of primary issuance price / secondary transaction price of Equity Shares (set out in [●] above) along with our Company's key performance indicators for the Fiscals 2024, 2023 and 2022 and for the period ended on June 30, 2024.

[●]*

*To be included upon finalization of Price Band

9. The Offer Price is [●] times of the Face Value of the Equity Shares.

The Offer Price of ₹ [●] has been determined by our Company, in consultation with the BRLMs, on the basis of market demand from investors for Equity Shares, as determined through the Book Building Process, and is justified in view of the above qualitative and quantitative parameters. Investors should read the above-mentioned information along with "Risk Factors", "Our Business", "Management Discussion and Analysis of Financial Position and Results of Operations" and "Financial Information" on pages 28, 130, 218 and 183, respectively, to have a more informed view. The trading price of the Equity Shares could decline due to the factors mentioned in the "Risk Factors" and you may lose all or part of your investments.

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS

Statement of possible special tax benefits available to the Company and its Shareholders

To,

The Board of Directors
Sawaliya Food Products Limited
Survey No. 9/2/1/2 Gavla,
Tehsil Pithampur, Dhar - 454 775,
Madhya Pradesh, India.

Dear Sir(s):

Sub: Proposed initial public offering of equity shares of ₹ 10 each (the “Equity Shares”) of Sawaliya Food Products Limited Limited (the “Company” and such offering, the “Issue”)

We report that the enclosed statement in Annexure A, states the possible special tax benefits available to the Company and to its shareholders under the applicable tax laws presently in force in India including the Income Act, 1961 (‘Act’), as amended by the Finance Act, 2023 i.e. applicable for FY 2023-2024 and AY 2024-2025, and other direct tax laws presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the statute. Hence, the Company or its shareholders to derive the stated special tax benefits is dependent upon their fulfilling such conditions, which based on business imperatives the Company faces in the future, the Company may or may not choose to fulfill.

The benefits discussed in the enclosed annexure are not exhaustive. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Issue. We are neither suggesting nor advising the investor to invest money based on this statement.

We do not express any opinion or provide any assurance as to whether:

- i) the Company or its shareholders will continue to obtain these benefits in future; or
- ii) the conditions prescribed for availing the benefits have been/would be met with.

The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

The benefits discussed in the enclosed statement are not exhaustive nor are they conclusive. The contents stated in the annexure are based on the information, explanations and representations obtained from the Company.

We hereby give consent to include this statement of tax benefits in the Draft Red Herring Prospectus, Red Herring Prospectus, the Prospectus and submission of this certificate as may be necessary, to the Stock Exchange/ SEBI/ any regulatory authority and/or for the records to be maintained by the Book Running Lead Manager in connection with the Issue and in accordance with applicable law.

Terms capitalized and not defined herein shall have the same meaning as ascribed to them in the Draft Red Herring Prospectus/Red Herring Prospectus/Prospectus.

Sincerely,

For M/s Maheshwari & Gupta ,
Chartered Accountants
ICAI Firm Registration No.: 403346

CA Sunil Maheshwari
Partner
Membership No: 403346
Place: Indore
Date: October 9, 2024
UDIN: 24403346BKALOF7359

Annexure-A

ANNEXURE TO THE STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS

The information provided below sets out the possible special tax benefits available to the Company and the Equity Shareholder under the Income Tax Act 1961 (read with the rules, circulars and notifications issued in connection thereto), as amended by the Finance Act, 2021 presently in force in India. It is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Investors are advised to consult their own tax consultant with respect to the tax implications of an investment in the Equity Shares particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail.

A. SPECIAL TAX BENEFITS TO THE COMPANY UNDER THE INCOME TAX ACT, 1961 (THE “ACT”)

Except as mentioned herein, there are no possible special tax benefits available to the company under Income Tax Act, 1961 read with the relevant Income Tax Rules, 1962, the Customs Tariff Act, 1975, the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017, the Union Territory Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017 and Goods and Services Tax (Compensation to States) Act, 2017 read with the relevant Central Goods and Services Tax Rules, 2017, Integrated Goods and Services Tax Rules, 2017, Union Territory Goods and Services Tax Rules, State Goods and Services Tax Rules, 2017 and notifications issued under these Acts and Rules and the foreign trade policy.

1. Lower corporate tax rate on income of domestic companies – Section 115BAA of the Income-tax Act, 1961 (‘the IT Act’)

The Taxation Laws (Amendment) Act, 2019 introduced section 115BAA wherein domestic companies are entitled to avail a concessional tax rate of 22% (plus applicable surcharge and cess) on fulfillment of certain conditions. The option to apply this tax rate is available from Financial Year (‘FY’) 2019-20 relevant to Assessment Year (‘AY’) 2020-21 and the option once exercised through filing of Form 10IC on the Income tax portal shall apply to subsequent assessment years. The concessional tax rate of 22% is subject to the company not availing any of the following deductions under the provisions of the IT Act:

- Section 10AA: Tax holiday available to units in a Special Economic Zone
- Section 32(1)(ia): Additional depreciation
- Section 32AD: Investment allowance.
- Section 33AB/3ABA: Tea coffee rubber development expenses/site restoration expenses
- Section 35(1)/35(2AA)/ 35(2AB): Expenditure on scientific research
- Section 35AD: Deduction for capital expenditure incurred on specified businesses.
- Section 35CCC/35CCD: expenditure on agricultural extension /skill development
- Chapter VI-A except for the provisions of section 80JJAA and section 80M

The total income of a company availing the concessional rate of 25.168% (i.e., 22% along with surcharge of 10% and health and education cess of 4%) is required to be computed without set-off of any carried forward loss and depreciation attributable to any of the aforesaid deductions/incentives. A company can exercise the option to apply for the concessional tax rate in its return of income filed under section 139(1) of the IT Act. Further, provisions of Minimum Alternate Tax (‘MAT’) under section 115JB of the IT Act shall not be applicable to companies availing this reduced tax rate, thus, any carried forward MAT credit also cannot be claimed.

The provisions do not specify any limitation/condition on account of turnover, nature of business or date of incorporation for opting for the concessional tax rate. Accordingly, all existing as well as new domestic companies are eligible to avail this concessional rate of tax.

B. SPECIAL TAX BENEFITS TO THE SHAREHOLDERS UNDER THE INCOME TAX ACT, 1961 (THE “ACT”)

Long term capital gains on transfer on shares on which Securities Transactions Tax has been paid will be subject to tax in the hands of shareholders as per the provisions of Section 112A of the Act at 12.5% (plus applicable surcharge and cess)

Short term capital gains arising on transfer of shares on which Securities Transactions Tax has been paid will be subject to tax in the hands of shareholders as per the provisions of Section 111A of the Act at 20% (plus applicable surcharge and cess)

Non-resident shareholders including foreign portfolio investors may choose to be governed by the provisions of Double Taxation Avoidance Agreement, to the extent they are more beneficial

Notes:

- 1. We have not considered the general tax benefits available to the Company, or shareholders of the Company.*
- 2. The above is as per the Tax Laws as on date.*
- 3. The above Statement of possible special tax benefits sets out the provisions of Tax Laws in a summary manner only and is not a complete analysis or listing of all the existing and potential tax consequences of the purchase, ownership and disposal of Equity Shares.*

This Statement does not discuss any tax consequences in any country outside India of an investment in the Equity Shares. The subscribers of the Equity Shares in the country other than India are urged to consult their own professional advisers regarding possible income –tax consequences that apply to them.

SECTION V – ABOUT THE COMPANY

INDUSTRY OVERVIEW

GLOBAL ECONOMY

More than three years after the global economy suffered the largest shock of the past 75 years, the wounds are still healing, amid widening growth divergences across regions. After a strong initial rebound from the depths of the COVID-19 pandemic, the pace of recovery has moderated. Several forces are holding back the recovery. Some reflect the long-term consequences of the pandemic, Russia's war in Ukraine, and increasing geoeconomic fragmentation. Others are more cyclical, including the effects of monetary policy tightening necessary to reduce inflation, withdrawal of fiscal support amid high debt, and extreme weather events. Despite signs of economic resilience earlier this year and progress in reducing headline inflation, economic activity is still generally falling short of pre-pandemic (January 2020) projections, especially in emerging market and developing economies.

The strongest recovery among major economies has been in the United States, where GDP in 2023 is estimated to exceed its pre-pandemic path. The euro area has recovered, though less strongly—with output still 2.2 percent below pre-pandemic projections, reflecting greater exposure to the war in Ukraine and the associated adverse terms-of-trade shock, as well as a spike in imported energy prices. In China, the pandemic-related slowdown in 2022 and the property sector crisis contribute to the larger output losses of about 4.2 percent, compared with pre-pandemic predictions. Other emerging market and developing economies have seen even weaker recoveries, especially low-income countries, where output losses average more than 6.5 percent. Higher interest rates and depreciated currencies have exacerbated the difficulties of low-income countries, placing more than half either at high risk of distress or already in distress. Overall, global output for 2023 is estimated at 3.4 percent (or about \$3.6 trillion in 2023 prices) below pre-pandemic projections. Private consumption has also recovered faster in advanced economies than in emerging market and developing economies, owing to an earlier reopening in the former group facilitated by greater availability of effective vaccines, stronger safety nets, more ample policy stimulus, and greater feasibility of remote work. These factors supported livelihoods during the pandemic, and household consumption is now broadly back to pre-pandemic trends. Among advanced economies, private consumption has been stronger in the United States than in the euro area, with households receiving larger fiscal transfers early in the pandemic and spending the associated savings more quickly; being better insulated from the rise in energy prices resulting from the war in Ukraine; and feeling relatively confident amid historically tight US labor markets, which have supported real disposable incomes.

Among emerging market and developing economies, the consumption shortfall is particularly large in China, reflecting tight restrictions on mobility during the COVID-19 crisis. Divergences in labour market performance across regions broadly mirror those for output and consumption. Employment and labour participation rates are estimated to exceed prepandemic trends in advanced economies but to remain significantly below them in emerging market and developing economies, reflecting more severe output losses and much weaker social protection. Countries that had the most limited fiscal space are also those where employment shortfalls are the largest (ILO 2023). Among advanced economies, the euro area has seen larger employment gains than the United States. This may reflect more extensive use in the former of worker-retention programs modelled on the German Kurzarbeit short-time work scheme (IMF 2020), which protect workers' income and allow businesses to retain firm-specific human capital, reducing the costly process of separation, rehiring, and training. In the euro area, these programs bolstered employment during the most challenging phases of the crisis and accelerated the recovery when economies reopened.

Investment, on the other hand, has uniformly fallen short of pre-pandemic trends across regions. Businesses have shown less enthusiasm for expansion and risk taking amid rising interest rates, withdrawal of fiscal support, dimmer prospects for product demand, stricter lending conditions, and growing uncertainties regarding geoeconomic fragmentation. Higher leverage has further dampened investment which remains 3 percent to 10 percent lower across regions than had been projected before the pandemic. Moreover, the pandemic, war in Ukraine, and worsening climate shocks have contributed to a reversal in decades-long poverty reduction trends. According to World Bank staff estimates, 75 million to 95 million more people were living in extreme poverty in 2022 compared with pre-pandemic estimates. Spikes in food prices and related insecurities following Russia's invasion of Ukraine, as well as bouts of extreme weather, have accentuated these difficulties. The global average temperature in July 2023 was the highest on record for any month, amid reports of catastrophic flooding, heat waves, and wildfires in many regions. Overall, the global prevalence of undernourishment is significantly higher than before the pandemic.

Source: Global recovery remains slow, with growing regional divergences and little margin for policy error

OVERVIEW OF THE INDIAN ECONOMY

Strong economic growth in the first quarter of FY23 helped India overcome the UK to become the fifth-largest economy after it recovered from the COVID-19 pandemic shock. Nominal GDP or GDP at Current Prices in the year 2023-24 is estimated at Rs. 293.90 lakh crores (US\$ 3.52 trillion), against the First Revised Estimates (FRE) of GDP for the year 2022-23 of Rs. 269.50 lakh crores (US\$ 3.23 trillion). The growth in nominal GDP during 2023-24 is estimated at 9.1% as compared to 14.2% in 2022-23. Strong domestic demand for consumption and investment, along with Government's continued emphasis on capital expenditure are seen as among the key driver of the GDP in the first half of FY24. During the period January-March 2024, India's exports stood at US\$ 119.10 billion, with Engineering Goods (25.01%), Petroleum Products (17.88%) and Organic and Inorganic Chemicals (7.65%) being the top three exported commodity. Rising employment and increasing private consumption, supported by rising consumer sentiment, will support GDP growth in the coming months.

Future capital spending of the government in the economy is expected to be supported by factors such as tax buoyancy, the streamlined tax system with low rates, a thorough assessment and rationalisation of the tariff structure, and the digitization of tax filing. In the medium run, increased capital spending on infrastructure and asset-building projects is set to increase growth multipliers. The contact-based services sector has demonstrated promise to boost growth by unleashing the pent-up demand. The sector's success is being captured by a number of HFIs (High-Frequency Indicators) that are performing well, indicating the beginnings of a comeback.

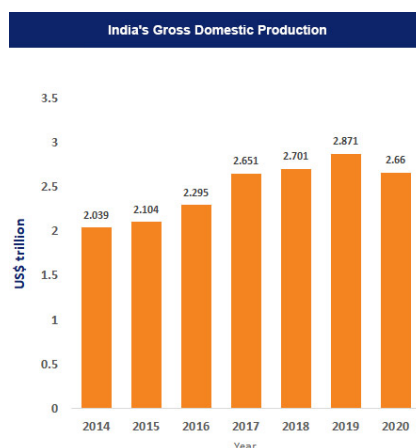
India has emerged as the fastest-growing major economy in the world and is expected to be one of the top three economic powers in the world over the next 10-15 years, backed by its robust democracy and strong partnerships.

India's appeal as a destination for investments has grown stronger and more sustainable because of the current period of global unpredictability and volatility, and the record amounts of money raised by India-focused funds in 2022 are evidence of investor faith in the "Invest in India" narrative.

Real GDP or GDP at Constant (2011-12) Prices in the year 2023-24 is estimated at Rs. 172.90 lakh crores (US\$ 2.07 trillion), against the First Revised Estimates (FRE) of GDP for the year 2022-23 of Rs. 160.71 lakh crores (US\$ 1.92 trillion). The growth in real GDP during 2023-24 is estimated at 7.6% as compared to 7.0% in 2022-23. There are 113 unicorn startups in India, with a combined valuation of over US\$ 350 billion. As many as 14 tech startups are expected to list in 2024 Fintech sector poised to generate the largest number of future unicorns in India. With India presently has the third-largest unicorn base in the world. The government is also focusing on renewable sources by achieving 40% of its energy from non-fossil sources by 2030. India is committed to achieving the country's ambition of Net Zero Emissions by 2070 through a five-pronged strategy, 'Pancharit'. Moreover, India ranked 3rd in the renewable energy country attractive index.

According to the McKinsey Global Institute, India needs to boost its rate of employment growth and create 90 million non-farm jobs between 2023 to 2030 in order to increase productivity and economic growth. The net employment rate needs to grow by 1.5% per annum from 2023 to 2030 to achieve 8-8.5% GDP growth between same time period. India's current account deficit (CAD) narrowed to 1.2% of GDP in the October-December quarter. The CAD stood at US\$ 10.5 billion for the third quarter of 2023-24 compared to US\$ 11.4 billion or 1.3% of GDP in the preceding quarter. This was largely due to higher service exports.

Exports fared remarkably well during the pandemic and aided recovery when all other growth engines were losing steam in terms of their contribution to GDP. Going forward, the contribution of merchandise exports may waver as several of India's trade partners witness an economic slowdown. According to Minister of Commerce and Industry, Consumer Affairs, Food and Public Distribution and Textiles Mr. Piyush Goyal, Indian exports are expected to reach US\$ 1 trillion by 2030.



RECENT DEVELOPMENTS

India is primarily a domestic demand-driven economy, with consumption and investments contributing to 70% of the economic activity. With an improvement in the economic scenario and the Indian economy recovering from the Covid-19 pandemic shock, several investments and developments have been made across various sectors of the economy. According to World Bank, India must continue to prioritise lowering inequality while also putting growth-oriented policies into place to boost the economy. In view of this, there have been some developments that have taken place in the recent past. Some of them are mentioned below.

According to HSBC Flash India PMI report, business activity surged in April to its highest level in about 14 years as well as sustained robust demand. The composite index reached 62.2, indicating continuous expansion since August 2021, alongside positive job growth and decreased input inflation, affirming India's status as the fastest-growing major economy.

- As of April 12, 2024, India's foreign exchange reserves stood at US\$ 643.162 billion.
- In 2023, India saw a total of US\$ 49.8 billion in PE-VC investments.
- Merchandise exports in March 2024 stood at US\$ 41.68 billion, with total merchandise exports of US\$ 437.06 billion during the period of April 2023 to March 2024.
- India was also named as the 48th most innovative country among the top 50 countries, securing 40th position out of 132 economies in the Global Innovation Index 2023. India rose from 81st position in 2015 to 40th position in 2023. India ranks 3rd position in the global number of scientific publications.
- In March 2024, the gross Goods and Services Tax (GST) stood at second highest monthly revenue collection at Rs.1.78 lakh crore (US\$ 21.35 billion), of which CGST is Rs. 34,532 crore (US\$ 4.14 billion), SGST is Rs. 43,746 crore (US\$ 5.25 billion).
- Between April 2000–December 2023, cumulative FDI equity inflows to India stood at US\$ 971.52 billion.
- In February 2024, the overall IIP (Index of Industrial Production) stood at 147.2. The Indices of Industrial Production for the mining, manufacturing and electricity sectors stood at 139.6, 144.5 and 187.1, respectively, in February 2024.
- According to data released by the Ministry of Statistics & Programme Implementation (MoSPI), India's Consumer Price Index (CPI) based retail inflation reached 5.69% in December 2023.
- Foreign Institutional Investors (FII) inflows between April-July (2023-24) were close to Rs. 80,500 crore (US\$ 9.67 billion), while Domestic Institutional Investors (DII) sold Rs. 4,500 crore (US\$ 540.56 million) in the same period. As per depository data, Foreign Portfolio Investors (FPIs) invested (US\$ 8.06 billion) in India during January-April 2024.
- The wheat procurement during RMS 2023-24 (till May) was estimated to be 262 lakh metric tonnes (LMT) and the rice procured in KMS 2023-24 was 385 LMT. The combined stock position of wheat and rice in the Central Pool is over 579 LMT (Wheat 312 LMT and Rice 267 LMT).

GOVERNMENT INITIATIVES

Over the years, the Indian government has introduced many initiatives to strengthen the nation's economy. The Indian government has been effective in developing policies and programmes that are not only beneficial for citizens to improve

their financial stability but also for the overall growth of the economy. Over recent decades, India's rapid economic growth has led to a substantial increase in its demand for exports. Besides this, a number of the government's flagship programmes, including Make in India, Start-up India, Digital India, the Smart City Mission, and the Atal Mission for Rejuvenation and Urban Transformation, is aimed at creating immense opportunities in India. In this regard, some of the initiatives taken by the government to improve the economic condition of the country are mentioned below:

- In February 2024, the Finance Ministry announced the total expenditure in Interim 2024-25 estimated at Rs. 47,65,768 crore (US\$ 571.64 billion) of which total capital expenditure is Rs. 11,11,111 crore (US\$ 133.27 billion).
- On January 22, 2024, Prime Minister Mr. Narendra Modi announced the 'Pradhan Mantri Suryodaya Yojana'. Under this scheme, 1 crore households will receive rooftop solar installations.
- On September 17, 2023, Prime Minister Mr. Narendra Modi launched the Central Sector Scheme PM-VISHWAKARMA in New Delhi. The new scheme aims to provide recognition and comprehensive support to traditional artisans & craftsmen who work with their hands and basic tools. This initiative is designed to enhance the quality, scale, and reach of their products, as well as to integrate them with MSME value chains.
- On August 6, 2023, Amrit Bharat Station Scheme was launched to transform and revitalize 1309 railway stations across the nation. This scheme envisages development of stations on a continuous basis with a long-term vision.
- On June 28, 2023, the Ministry of Environment, Forests, and Climate Change introduced the 'Draft Carbon Credit Trading Scheme, 2023'.
- From April 1, 2023, Foreign Trade Policy 2023 was unveiled to create an enabling ecosystem to support the philosophy of 'AtmaNirbhar Bharat' and 'Local goes Global'.
- To enhance India's manufacturing capabilities by increasing investment and production in the sector, the government of India has introduced the Production Linked Incentive Scheme (PLI) for Pharmaceuticals.
- Prime Minister's Development Initiative for North-East Region (PM-DevINE) was announced in the Union Budget 2022-23 with a financial outlay of Rs. 1,500 crore (US\$ 182.35 million).
- Prime Minister Mr Narendra Modi has inaugurated a new food security scheme for providing free food grains to Antodaya Ann Yojna (AAY) & Primary Household (PHH) beneficiaries, called Pradhan Mantri Garib Kalyan Ann Yojana (PMGKAY) from January 1, 2023.
- The Amrit Bharat Station scheme for Indian Railways envisages the development of stations on a continuous basis with a long-term vision, formulated on December 29, 2022, by the Ministry of Railways.
- On October 7, 2022, the Department for Promotion of Industry and Internal Trade (DPIIT) launched Credit Guarantee Scheme for Start-ups (CGSS) aiming to provide credit guarantees up to a specified limit by start-ups, facilitated by Scheduled Commercial Banks, Non-Banking Financial Companies and Securities and Exchange Board of India (SEBI) registered Alternative Investment Funds (AIFs).
- Telecom Technology Development Fund (TTDF) Scheme was launched in October 2022 by the Universal Service Obligation Fund (USOF), a body under the Department of Telecommunications. The objective is to fund R&D in rural-specific communication technology applications and form synergies among academia, start-ups, research institutes, and the industry to build and develop the telecom ecosystem.
- Home & Cooperation Minister Mr. Amit Shah laid the foundation stone and performed Bhoomi Pujan of Tanot Mandir Complex Project under Border Tourism Development Programme in Jaisalmer in September 2022.
- In August 2022, Mr. Narendra Singh Tomar, Minister of Agriculture and Farmers Welfare inaugurated four new facilities at the Central Arid Zone Research Institute (CAZRI), which has been rendering excellent services for more than 60 years under the Indian Council of Agricultural Research (ICAR).
- In August 2022, a Special Food Processing Fund of Rs. 2,000 crore (US\$ 242.72 million) was set up with National Bank for Agriculture and Rural Development (NABARD) to provide affordable credit for investments in setting up Mega Food Parks (MFP) as well as processing units in the MFPs.
- In July 2022, Deendayal Port Authority (DPA) announced plans to develop two Mega Cargo Handling Terminals on a Build-Operate-Transfer (BOT) basis under Public-Private Partnership (PPP) Mode at an estimated cost of Rs. 5,963 crore (US\$ 747.64 million).
- In July 2022, the Union Cabinet chaired by Prime Minister Mr. Narendra Modi, approved the signing of the Memorandum of Understanding (MoU) between India & Maldives. This MoU will provide a platform to tap the benefits of information technology for court digitization and can be a potential growth area for IT companies and start-ups in both countries.
- India and Namibia entered a Memorandum of Understanding (MoU) on wildlife conservation and sustainable biodiversity utilization on July 20, 2022, for establishing the cheetah into the historical range in India.
- In July 2022, the Reserve Bank of India (RBI) approved international trade settlements in Indian rupees (Rs.) to promote the growth of global trade with emphasis on exports from India and to support the increasing interest of the global trading community.
- The Agnipath Scheme aims to develop a young and skilled armed force backed by an advanced warfare technology

scheme by providing youth with an opportunity to serve Indian Army for a 4-year period. It is introduced by the Government of India on June 14, 2022.

- In June 2022, Prime Minister Mr. Narendra Modi inaugurated and laid the foundation stone of development projects worth Rs. 21,000 crore (US\$ 2.63 billion) at Gujarat Gaurav Abhiyan at Vadodara.
- Mr. Rajnath Singh, Minister of Defence, launched 75 newly developed Artificial Intelligence (AI) products/technologies during the first-ever 'AI in Defence' (AIDef) symposium and exhibition organized by the Ministry of Defence in New Delhi on July 11, 2022.
- In June 2022, Prime Minister Mr. Narendra Modi laid the foundation stone of 1,406 projects worth more than Rs. 80,000 crore (US\$ 10.01 billion) at the ground-breaking ceremony of the UP Investors Summit in Lucknow. The Projects encompass diverse sectors like Agriculture and Allied industries, IT and Electronics, MSME, Manufacturing, Renewable Energy, Pharma, Tourism, Defence & Aerospace, and Handloom & Textiles.
- The Indian Institute of Spices Research (IISR) under the Indian Council for Agricultural Research (ICAR) inked a Memorandum of Understanding (MoU) with Lysterra LLC, a Russia-based company for the commercialization of bio capsule, an encapsulation technology for bio-fertilization on June 30, 2022.
- As of April 2022, India signed 13 Free Trade Agreements (FTAs) with its trading partners including major trade agreements like the India-UAE Comprehensive Partnership Agreement (CEPA) and the India-Australia Economic Cooperation and Trade Agreement (IndAus ECTA).
- 'Mission Shakti' was applicable with effect from April 1, 2022, aimed at strengthening interventions for women's safety, security, and empowerment.
- The Union Budget of 2022-23 was presented on February 1, 2022, by the Minister for Finance & Corporate Affairs, Ms. Nirmala Sitharaman. The budget had four priorities PM GatiShakti, Inclusive Development, Productivity Enhancement and Investment, and Financing of Investments. In the Union Budget 2022-23, effective capital expenditure is expected to increase by 27% at Rs. 10.68 trillion (US\$ 142.93 billion) to boost the economy. This will be 4.1% of the total Gross Domestic Production (GDP).
- Strengthening of Pharmaceutical Industry (SPI) was launched in March 2022 by the Ministry of Chemicals & Fertilisers to provide credit linked capital and interest subsidy for Technology Upgradation of MSME units in pharmaceutical sector, as well as support of up to Rs. 20 crore (US\$ 2.4 million) each for common facilities including Research centre, testing labs and ETBs (Effluent Treatment Plant) in Pharma Clusters, to enhance the role of MSMEs.
- Under PM GatiShakti Master Plan, the National Highway Network will develop 25,000 km of new highways network, which will be worth Rs. 20,000 crore (US\$ 2.67 billion). In 2022-23. Increased government expenditure is expected to attract private investments, with a production-linked incentive scheme providing excellent opportunities. Consistently proactive, graded, and measured policy support is anticipated to boost the Indian economy.
- In February 2022, The Ministry of Social Justice & Empowerment launched the Scheme for Economic Empowerment of Denotified/Nomadic/SemiNomadic tribal communities (DNTs) (SEED) to provide basic facilities like good quality coaching, and health insurance. livelihoods initiative at a community level and financial assistance for the construction of houses.
- In February 2022, Minister for Finance and Corporate Affairs Ms. Nirmala Sitharaman said that productivity linked incentive (PLI) schemes would be extended to 14 sectors to achieve the mission of AtmaNirbhar Bharat and create 60 lakh jobs with an additional production capacity of Rs. 30 trillion (US\$ 401.49 billion) in the next five years.
- In the Union Budget of 2022-23, the government announced funding for the production-linked incentive (PLI) scheme for domestic solar cells and module manufacturing of Rs. 24,000 crore (US\$ 3.21 billion).
- In the Union Budget of 2022-23, the government announced a production-linked incentive (PLI) scheme for Bulk Drugs which was an investment of Rs. 2,500 crore (US\$ 334.60 million).
- In the Union Budget of 2022, Minister for Finance & Corporate Affairs Ms. Nirmala Sitharaman announced that a scheme for design-led manufacturing in 5G would be launched as part of the PLI scheme.
- In September 2021, Union Cabinet approved major reforms in the telecom sector, which are expected to boost employment, growth, competition, and consumer interests. Key reforms include rationalization of adjusted gross revenue, rationalization of bank guarantees (BGs), and encouragement of spectrum sharing.
- In the Union Budget of 2022-23, the government has allocated Rs. 44,720 crore (US\$ 5.98 billion) to Bharat Sanchar Nigam Limited (BSNL) for capital investments in the 4G spectrum.
- Minister for Finance & Corporate Affairs Ms. Nirmala Sitharaman allocated Rs. 650 crore (US\$ 86.69 million) for the Deep Ocean mission that seeks to explore vast marine living and non-living resources. Department of Space (DoS) has got Rs. 13,700 crore (US\$ 1.83 billion) in 2022-23 for several key space missions like Gaganyaan, Chandrayaan-3, and Aditya L-1 (sun).
- In May 2021, the government approved the production-linked incentive (PLI) scheme for manufacturing advanced chemistry cell (ACC) batteries at an estimated outlay of Rs. 18,100 crore (US\$ 2.44 billion); this move is expected to attract domestic and foreign investments worth Rs. 45,000 crore (US\$ 6.07 billion).
- Minister for Finance & Corporate Affairs Ms. Nirmala Sitharaman announced in the Union Budget of 2022-23 that the Reserve Bank of India (RBI) would issue Digital Rupee using blockchain and other technologies.

- In the Union Budget of 2022-23, Railway got an investment of Rs. 2.38 trillion (US\$ 31.88 billion) and over 400 new high-speed trains were announced. The concept of "One Station, One Product" was also introduced.
- To boost competitiveness, Budget 2022-23 has announced reforming the 16-year-old Special Economic Zone (SEZ) act.
- In June 2021, the RBI (Reserve Bank of India) announced that the investment limit for FPI (foreign portfolio investors) in the State Development Loans (SDLs) and government securities (G-secs) would persist unaffected at 2% and 6%, respectively, in FY22.
- In November 2020, the Government of India announced Rs. 2.65 trillion (US\$ 36 billion) stimulus package to generate job opportunities and provide liquidity support to various sectors such as tourism, aviation, construction, and housing. Also, India's cabinet approved the production-linked incentives (PLI) scheme to provide ~Rs. 2 trillion (US\$ 27 billion) over five years to create jobs and boost production in the country.
- Numerous foreign companies are setting up their facilities in India on account of various Government initiatives like Make in India and Digital India. Prime Minister of India Mr. Narendra Modi launched the Make in India initiative with an aim to boost the country's manufacturing sector and increase the purchasing power of the average Indian consumer, which would further drive demand and spur development, thus benefiting investors. The Government of India, under its Make in India initiative, is trying to boost the contribution made by the manufacturing sector with an aim to take it to 25% of the GDP from the current 17%. Besides, the government has also come up with the Digital India initiative, which focuses on three core components: the creation of digital infrastructure, delivering services digitally, and increasing digital literacy.
- On January 29, 2022, the National Asset Reconstruction Company Ltd (NARCL) will acquire bad loans worth up to Rs. 50,000 crore (US\$ 6.69 billion) about 15 accounts by March 31, 2022. India Debt Resolution Co. Ltd (IDRCL) will control the resolution process. This will clean up India's financial system, help fuel liquidity, and boost the Indian economy.
- National Bank for Financing Infrastructure and Development (NaBFID) is a bank that will provide non-recourse infrastructure financing and is expected to support projects from the first quarter of FY23; it is expected to raise Rs. 4 trillion (US\$ 53.58 billion) in the next three years.
- By November 1, 2021, India, and the United Kingdom hope to begin negotiations on a free trade agreement. The proposed FTA between these two countries is likely to unlock business opportunities and generate jobs. Both sides have renewed their commitment to boost trade in a manner that benefits all.
- In August 2021, Prime Minister Mr. Narendra Modi announced an initiative to start a national mission to reach the US\$ 400 billion merchandise export target by FY22.
- In August 2021, Prime Minister Mr. Narendra Modi launched a digital payment solution, e-RUPI, a contactless and cashless instrument for digital payments.
- In April 2021, Dr. Ahmed Abdul Rahman AlBanna, Ambassador of the UAE to India and Founding Patron of IFIICC, stated that trilateral trade between India, the UAE and Israel is expected to reach US\$ 110 billion by 2030.
- India is expected to attract investment of around US\$ 100 billion in developing the oil and gas infrastructure during 2019-23.
- The Government of India is expected to increase public health spending to 2.5% of the GDP by 2025

Road Ahead

In the second quarter of FY24, the growth momentum of the first quarter was sustained, and high-frequency indicators (HFIs) performed well in July and August of 2023. India's comparatively strong position in the external sector reflects the country's positive outlook for economic growth and rising employment rates. India ranked 5th in foreign direct investment inflows among the developed and developing nations listed for the first quarter of 2022.

India's economic story during the first half of the current financial year highlighted the unwavering support the government gave to its capital expenditure, which, in 2023-24, stood 37.4% higher than the same period last year. In the budget of 2023-24, capital expenditure took lead by steeply increasing the capital expenditure outlay by 37.4 % in BE 2023-24 to Rs.10 lakh crore (US\$ 120.12 billion) over Rs. 7.28 lakh crore (US\$ 87.45 billion) in RE 2022-23. The ratio of revenue expenditure to capital outlay increased by 1.2% in the current year, signalling a clear change in favour of higher-quality spending. Stronger revenue generation because of improved tax compliance, increased profitability of the company, and increasing economic activity also contributed to rising capital spending levels. In February 2024, the Finance Ministry announced the total expenditure in Interim 2024-25 estimated at Rs. 47,65,768 crore (US\$ 571.64 billion) of which total capital expenditure is Rs. 11,11,111 crore (US\$ 133.27 billion).

Since India's resilient growth despite the global pandemic, India's exports climbed at the second-highest rate with a year-over-year (YoY) growth of 8.39% in merchandise exports and a 29.82% growth in service exports till April 2023. With a reduction in port congestion, supply networks are being restored. The CPI-C inflation reduction from June 2022 already

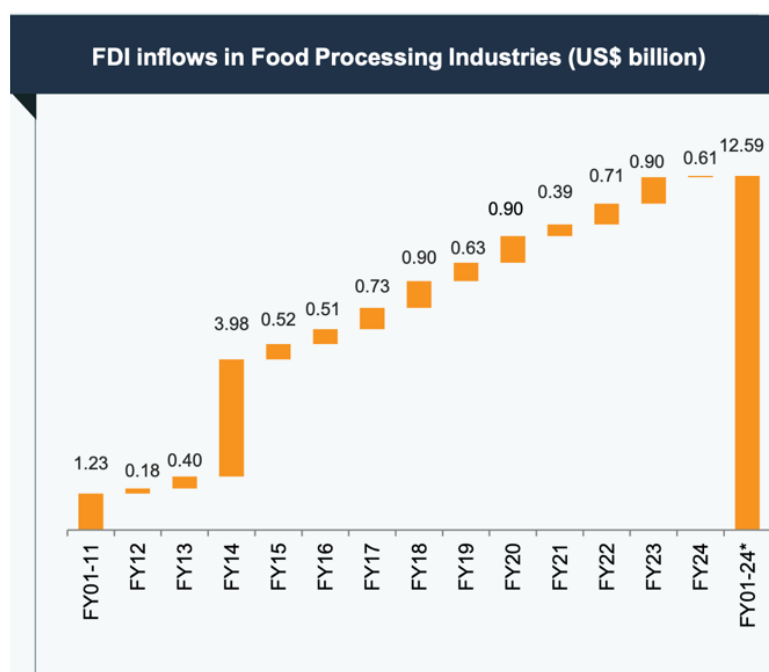
reflects the impact. In September 2023 (Provisional), CPI-C inflation was 5.02%, down from 7.01% in June 2022. With a proactive set of administrative actions by the government, flexible monetary policy, and a softening of global commodity prices and supply-chain bottlenecks, inflationary pressures in India look to be on the decline overall.

(Source: <https://www.ibef.org/economy/indian-economy-overview>)

FOOD PROCESSING INDUSTRY IN INDIA

- The food processing industry in India is still in its early stages, contributing less than 10% to the total food output. According to a Deloitte study on Level of Food Processing in India in 2020-21, processing levels were at 2.7% for vegetables, 4.5% for fruits, 15.4% for fishery, 21.1% for milk, and 34.2% for meat. India accounts for 2.5% of the world's global chemical sales, exporting to more than 175 countries.
- Food and grocery market in India is the sixth-largest in the world. Food processing industry contributes 32% to this food market and is also one of the largest industries in the country, contributing 13% to total export and 6% of industrial investment.
- The market size of food processing sector in India is estimated to reach US\$ 1,274 billion in 2027 from US\$ 866 billion in 2022.
- India's agricultural and processed food exports gone up to more than US\$ 50 billion in 2022-23, accounting for 22.6% of the overall agri-food exports.
- The cold chain infrastructure created by 372 completed cold chain projects until October 2023, is as following: • 10.3 lakh MT of Cold Storage, Controlled Atmosphere (CA)/Modified Atmosphere (MA) Storage and Deep Freezer. • 335 MT per hour of Individual Quick Freezing (IQF). • 175.8 Lakh Liters Per Day (LLPD) Milk Processing/Storage. • 1860 reefer vehicles.
- Of the total 41 mega food parks that were sanctioned, 24 mega food parks are operational, as of March 2024.
- The food processing industry, within the registered factory sector, employs about 1.93 million people. The unregistered sector also employs approximately 5.1 million workers.
- Initiatives like planned infrastructure spend of around US\$ 1 trillion and US\$ 300 billion (Rs. 25 lakh crore) to boost the rural economy have put the food processing sector on a high growth trajectory.
- Ministry of Food Processing Industries (MoFPI) has provided financial assistance to eligible entities for setting up of food processing projects wherein 948 cold storages with the capacity of 18.16 lakh MT have been established under various component schemes of Pradhan Mantri Kisan Sampada Yojana (PMKSY) till January 2024.
- The food processing sector allows 100% FDI under the automatic route.
- The food processing industries have recorded a cumulative FDI equity inflow of US\$ 12.59 billion between April 2000-March 2024, constituting around 1.85% of the total FDI equity inflow in all sectors.
- Under the Atmanirbhar Bharat Abhiyan, MoFPI has implemented the "PM Formalization of Micro food processing Enterprises (PMFME) Scheme," offering financial, technical, and business aid to establish or upgrade micro food processing enterprises. The scheme, operational from 2020-21 to 2024-25 with a budget of US\$ 1.2 billion (Rs. 10,000 crore), is aimed at supporting 2 lakh micro food processing enterprises.
- The Production Linked Incentive Scheme for Food Processing Industry (PLISFPI) was approved in March 2021, with a budget of US\$ 1.3 billion (Rs. 10,900 crore) to be implemented from 2021-22 to 2026-27. It is aimed at incentivizing manufacturing, promoting innovative/organic SME products, and endorsing Indian brands internationally. Additionally, a PLI Scheme for Millet-based Products (PLISMBP) was launched in FY23 with an outlay of ~US\$ 96 million (Rs. 800 crore).
- In 2022, a Special Food Processing Fund of US\$ 263 million (Rs. 2,000 crore) was set up with National Bank for Agriculture and Rural Development (NABARD) to provide affordable credit for investments in setting up units under Mega Food Parks (MFP) and Designated Food Parks (DFP).

Note: *Until December 2023



GROWTH DRIVERS FOR FOOD PROCESSING IN INDIA

- Supply-side drivers

India has a high level of agricultural production and wide variety of crops ranking it 1st in spices and 2nd in fruits & vegetables production globally.

The country boasts a large livestock base placing it 1st in milk and 5th in meat production globally

India is the 3rd largest fish producing country, contributing 8% to the global fish production and 2nd in aquaculture production, owing to its inland water bodies and a long coastline of over 7,500 km that help it in increasing marine production.

- Demand-side drivers:

India is one of the largest populated country in the world and is expected to continue having one of youngest populations in the world till 2030.

The rapid population expansion in India along with changing lifestyle and food habits due to rising disposable income and urbanization are driving the growth in the industry. The growing consumption of food is expected to reach US\$ 1.2 trillion in India by 2025-26, owing to these factors.

- Infrastructure:

India boasts a strong transport infrastructure with 2nd largest network of roads and 4th largest railways network globally.

India has 24 operational Mega Food Parks, which help to integrate agricultural production with the market by bringing together farmers, food processors, and retailers.

India benefits from convenient transportation links to Europe, the Middle East, and Africa via its western coast, as well as to Asia-Pacific region via its eastern coast, which elevate the export opportunities.

- Policy Support

Pradhan Mantri Kisan SAMPADA Yojana (PMKSY) aims to modernize food processing infrastructure, boost sector growth, increase farmer income, create rural jobs, reduce wastage, and enhance processed food exports.

MoFPI initiated the PM Formalization of Micro food processing Enterprises Scheme (PMFME) nationwide to aid micro food processing enterprises with financial, technical, and business assistance for upgrading operations.

The Production Linked Incentive Scheme for Food Processing Industry (PLISFPI), is aimed at incentivizing

manufacturing, promoting innovative/organic SME products, and endorsing Indian brands internationally.
100% FDI permitted for food processing.

GROWTH OF FOOD PROCESSING SECTOR

As part of Atmanirbhar Bharat Abhiyan, MoFPI is implementing a centrally sponsored (PMFME) scheme for providing financial, technical and business support for setting up / upgradation of micro food processing enterprises in the country. The scheme is operational for a period of five years from 2020-21 to 2024-25 with an outlay of Rs. 10,000 Crore. The scheme aims to enhance the competitiveness of existing individual micro-enterprises in the unorganized segment of the food processing industry and promote formalization of the sector.

PMFME scheme is implemented in all the 36 States/UTs including Odisha. Till date 31st January 2024, following progress made under various components of PMFME Scheme:

- i. 72,556 loan sanctioned for the benefit of credit linked subsidy including 1175 loan sanctioned in Odisha.
- ii. Rs.771.12 crores released as Seed Capital for 236704 SHG members including Rs.67.91 crores for 23,400 SHG members in Odisha.
- iii. 62,140 beneficiaries trained in Food Processing Entrepreneurship Development Program, including 6439 trained in Odisha.
- iv. 14 ODOP Brands and 166 products have also been successfully launched so far. No proposal in this regard has been received from the State of Odisha.

(Source: [https://pib.gov.in/PressReleaseIframePage.aspx?PRID=2003092#:~:text=Food%20Processing%20\(FP\)%20sector%20emerged,AAGR\)%20of%20around%207.26%25.](https://pib.gov.in/PressReleaseIframePage.aspx?PRID=2003092#:~:text=Food%20Processing%20(FP)%20sector%20emerged,AAGR)%20of%20around%207.26%25.))

QUANTUM JUMP IN SECTORAL ACHIEVEMENTS

1. **Rise in GVA:** The Gross Value Added (GVA) of food processing sector has increased from Rs. 1.34 lakh crore (US\$ 21.91 billion) in 2014-15 to Rs 2.08 lakh crore (US\$ 27.95 billion) in 2021-22.
2. **Increasing FDI Equity Flow:** The food processing industries have attracted US\$ 12.58 billion between April 2000-March 2024, constituting around 1.85% of the total FDI equity inflow in all sectors, placing it in top 15 sectors.
3. **Rising Exports:** The share of processed food exports in agri-exports has increased substantially from 13.7% in 2014-15 to 25.6% in 2022-23.
4. **Increased Employment:** Food processing sector was one of the largest employment provider in 2023 in the organized manufacturing sector with 12.22% employment in the total registered/ organized sector.

STRATEGIES ADOPTED

1. **Infrastructure Development**
 - The Mega Food Park (MFP) Scheme was launched to integrate agricultural production with the market by bringing together farmers, processors, and retailers. The scheme follows a cluster approach, establishing modern food processing units within well-defined agri/horticultural zones. Each park includes supply chain infrastructure like collection centres, processing units, and cold chains, along with developed plots for entrepreneurs.
 - Under the MFP scheme 41 projects were approved, of which 24 are operational as of December 2023.
 - The "Integrated Cold Chain and Value Addition Infrastructure" Scheme under PMKSY was launched to establish uninterrupted cold chain facilities from farm to consumer, including pre-cooling, storage, and distribution. It encompasses various temperature-controlled storage, packing, and transportation facilities for diverse products like horticulture, dairy, and meat.
 - The cold chain infrastructure created by 372 completed cold chain projects until October 2023, is as following:
 - a) 10.3 lakh MT of Cold Storage, Controlled Atmosphere (CA)/Modified Atmosphere (MA) Storage and Deep Freezer.
 - b) 335 MT per hour of Individual Quick Freezing (IQF).

- c) 175.8 Lakh Liters Per Day (LLPD) Milk Processing/Storage.
- d) 1860 reefer vehicles.

2. Fiscal Incentives and Credit Facilities

- Food processing units qualify for complete profit exemption in the first five years, succeeded by a 25 percent deduction (30 percent in case of companies) in the subsequent five years.
- 100% deduction permitted on capital expenditure for cold chain or warehouse.
- Loans to food and agro-based processing units and cold chain have been classified under agriculture activities for Priority Sector Lending (PSL).
- In 2022, a Special Food Processing Fund of US\$ 263 million (Rs. 2,000 crore) was set up with National Bank for Agriculture and Rural Development (NABARD) to provide affordable credit for investments in setting up units under Mega Food Parks (MFP) and Designated Food Parks (DFPs).

3. Global Hub for Millets

- The United Nation's General Assembly (UNGA) declared 2023 as the International Year of Millets. The Union Budget 2023-24 included a special focus on millet, highlighting the aspirations to make India a Global Hub for Millets (Shree Anna).
- During the Presidency of G20 summit, India had organized a two-day Global Millets Conference in March 2023 in New Delhi bringing together participants from more than 102 countries facilitating discourse on important issues related to millets, including its production, consumption, nutritional benefits, value chain development, market linkages, and research and development.
- The Indian Institute of Millets Research in Hyderabad was declared as a Centre of Excellence for sharing best practices, research, and technology at national and international level.
- The total production of Millets (Shree Anna) in the country during 2022-23 stood at 17.32 million tonnes.

4. World Food India

- The Ministry of Food Processing Industries hosted 'World Food India' event, in November 2023, in New Delhi.
- The event provided a distinctive platform to all the stakeholders in the food value chain including food processors, equipment manufacturers, producers, cold chain players, technology providers, logistics players, researchers, start-ups and innovators, food retailers etc. to engage and demonstrate their capabilities.

ADVANTAGE INDIA

1. Robust Demand

- India is the 5th largest economy in the world and expected to be the fastest growing economy among major G20 countries, with GDP growth estimated to be around 8% in FY24.
- The market size of food processing sector in India is estimated to reach US\$ 1,274 billion in 2027 from US\$ 866 billion in 2022.
- The food processing sector has grown substantially, averaging an annual growth rate of around 7.3%, during 2015-2022. The sector contributed 10.54% of the gross value added (GVA) in Manufacturing and 11.57% of GVA in Agriculture sector in 2020-21.

2. Competitive Advantage

- India is the largest producer of milk and spices and one of the leading producers of fruits and vegetables, poultry, meat and seafood.
- India has access to several natural resources that provides it with a competitive advantage in the food processing sector. Due to its diverse agro-climatic conditions, it has a wide-ranging and large raw material base suitable for food processing industries.

3. Opportunities

- India's agricultural and processed food exports have gone up to more than US\$ 50 billion in 2022-23, accounting for 22.6% of the overall agri-food exports.
- The food processing industry has received ~US\$ 12.59 billion in FDI equity inflows from April 2000-March 2024.
- The growing consumption of food is expected to reach US\$ 1.2 trillion by 2025-26, owing to urbanization and changing consumption patterns.
- The Indian food and beverage packaged industry is experiencing substantial growth with market size projected to increase from US\$ 33.7 billion in 2023 to US\$ 46.3 billion by 2028.

OPPORTUNITIES IN THE FOOD PROCESSING

1. Developing Strong supply chains

- Establishing strong supply chains linking farmers to processing and marketing is essential. Insufficient on-farm cooling and grading facilities, along with inadequate cold chain infrastructure, often compel farmers to sell their produce at discounted rates. The cumulative wastage of cereals, pulses, fruits, meat, poultry, meat, fisheries, vegetables, etc. ranged from 2-12% in 2022.
- Empowering farmers with nearby grading and storage facilities will enhance the value of their products. To have a successful supply chain, the Indian Government has sought to involve multiple stakeholders to improve interactions between farmers, processors, distributors and retailers.
- The nation's processed food industry is expected to grow to US\$ 1,274 billion by 2027 and the government is focusing on developing supply chain-related infrastructure like cold storage, abattoirs and food parks.

2. Make in India

- The food processing sector has been recognised as a key priority industry under the "Make in India" initiative.
- The Ministry of Food Processing Industries (MoFPI) has undertaken initiatives aimed at enhancing infrastructure and fostering food processing industries to stimulate investment in this domain.
- Mega Food Parks have been established in the areas rich in agricultural resources, providing entrepreneurs with fully developed plots and factory structures along with essential amenities and common processing facilities on longterm leases to set up food processing units.

3. Start-up India

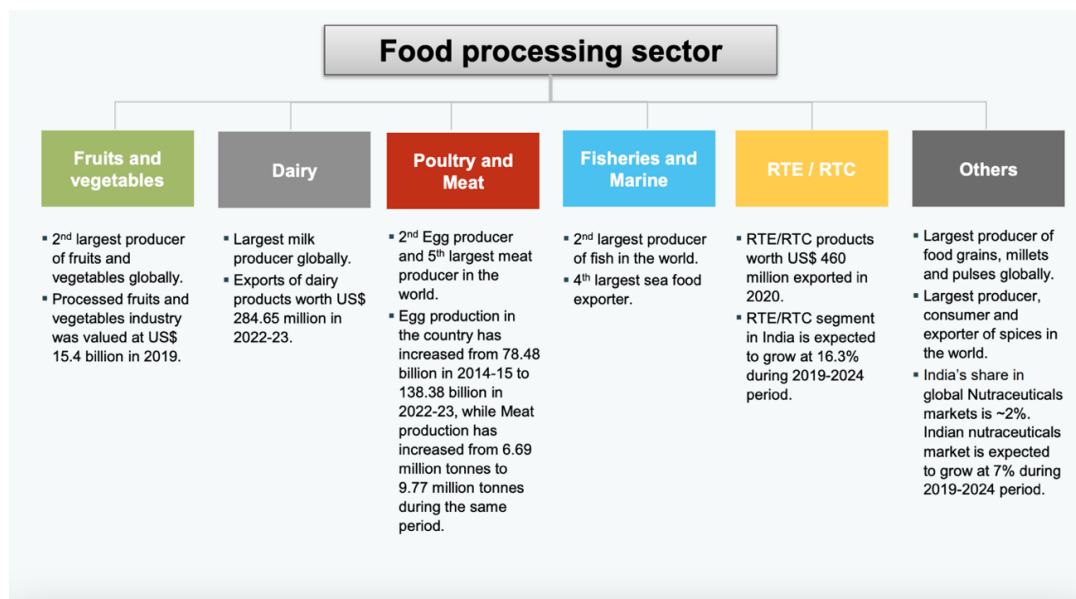
- The food processing sector in India boasts over 3,300 recognized startups, employing 33,000 people and spread across 425 districts.
- Supported by incubators, accelerators, and funds, startups hold immense potential to drive innovation and economic growth in the food processing industry.
- There are several food and agriculture value chain funds like the Startup India Seed Fund Scheme, Startup India Tax Exemption Benefits, etc. supporting the startups in the food processing industry.

4. Common Infrastructure for Industrial Parks

- The food processing sector presents substantial investment prospects totaling US\$ 2.36 billion across 31 projects under Common Infrastructure for Industrial Parks which includes facilities such as specialized processing units, effluent treatment plants, testing laboratories, common warehouses, and logistics support.
- These facilities are designed to support the industry's manufacturing processes and ensure compliance with environmental regulations while promoting efficient production and export capabilities.

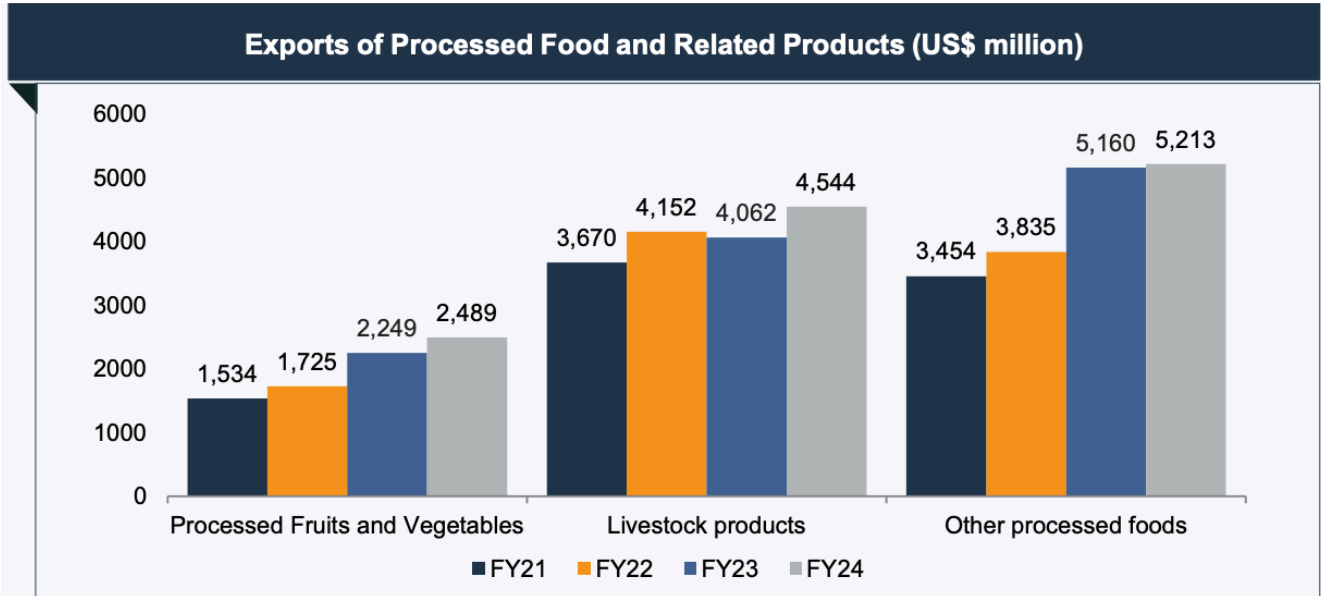
(Source: <https://www.ibef.org/industry/food-processing>)

FOOD PROCESSING INDUSTRY OVERVIEW



EXPORT OF PROCESSED FOOD AND RELATED PRODUCTS

- India exports key processed food products such as pulses, processed vegetables, processed fruits and juices, groundnuts, guar gum, cereal preparations, milled products, alcoholic beverages, oil meals, etc.
- During April-March FY24, processed fruits & Juices accounted for US\$ 682.58 million, processed vegetables accounted for US\$ 787.28 million, dairy products accounted for US\$ 272.64 million, poultry products accounted for US\$ 184.58 million, and miscellaneous processed items accounted for US\$ 1326.24 million.
- Exports of processed fruits and vegetables increased by 9.34% year-on-year in April- February (FY23-24) while exports of livestock products increased by 12.72% and exports of other processed foods increased by 6.32% during the same period.
- Exports of processed fruits and vegetables accounted for 8.9% of total exports in April-February (FY24) while exports of livestock products and other processed foods accounted for 18.3% and 18.7%, respectively.
- India exported US\$ 1,113.17 million worth of Ready to Eat products, US\$ 497.87 million worth of Ready To Cook products and US\$ 537.84 million worth of Ready To Serve products from April to December in FY24. The major destinations of RTE export during this period were the U.S.A, U.A.E, and Canada while the major export destinations for RTC export were Bangladesh, U.S.A, Nepal, and U.A.E.



Source: Agricultural & Processed Food Products Export Development Authority (APEDA)

(Source: <https://www.ibef.org/industry/food-processing>)

OUR BUSINESS

Some of the information in the following section, especially information with respect to our plans and strategies, contain certain forward-looking statements that involve risks and uncertainties. You should read “Forward Looking Statements” on page 20 of this Draft Red Herring Prospectus for a discussion of the risks and uncertainties related to those statements. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Our Company’s strengths and its ability to successfully implement its business strategies may be affected by various factors that have an influence on its operations, or on the industry segment in which our Company operates, which may have been disclosed in “Risk Factors” on page 28. This section should be read in conjunction with such risk factors.

Unless otherwise indicated, industry and market data included in this section has been derived from the industry sources. This section should be read in conjunction with the “Industry Overview” on page 117 of this Draft Red Herring Prospectus. Our Financial Year ends on March 31 of each year, and references to a particular Financial Year are to the 12-month period ended March 31 of that year.

Unless otherwise stated, or the context otherwise requires, the financial information used in this section is derived from our “Restated Financial Information”, included in this Draft Red Herring Prospectus on page 183.

OVERVIEW

Founded in 2014, our Company is a manufacturer and processor of dehydrated vegetables, serving leading institutional manufacturers engaged in branded packaged food industries, traders and international importers of dehydrated products. As such, we are deeply connected with the branded packaged food industry and this accounted for 43.11 % of our revenue in Financial Year 2024. Our products find wide application as raw materials in the fast moving consumer goods (“FMCG”) industry, for products such as cup noodles, ready to eat noodles, pasta, soup, etc. Our main products include dehydrated carrot, dehydrated cabbage and dehydrated ring beans / beans. Over the years, we have crafted a sustainable as well as an integrated business model wherein we source our raw materials directly from farmers to ensure that we use absolutely natural ingredients in our products. Since the farmers are located in close proximity to our manufacturing unit, we have an advantage of procuring desired quantity of raw materials mainly being carrots, at cost competitive prices and low logistical costs. Since, we source our raw materials directly from the farmers, we are able to offer our products at a lower range than our competitors, thereby having a unique pricing model. Additionally, our tie-ups with farmers enable us to procure vegetables, especially carrot in our warehouse, and sell the under-utilised raw materials, at higher prices in the market and gain from the fluctuation in prices of the raw materials.

Our Company has a diversified customer portfolio for its products. Our customer base is divided into three categories namely, institutional manufactures, Indian as well as foreign traders and international customers. Our customer base has been described below:

- *Institutional manufacturers:* The sale of our products to institutional manufacturers constitutes our business to business (**B2B**) model, wherein our Company processes and/or supplies dehydrated products as per the specifications of renowned FMCG companies and food processing companies as per their specifications. We generally supply dehydrated products to one of the leading FMCG companies headquartered in West Bengal, India and to a domestic institutional packaged food manufacturer.
- *Traders:* We also sell our products to local as well as foreign traders, who further sell our products to domestic institutional manufacturers or export our products to different geographies. Our local traders are concentrated in and around Madhya Pradesh and typically sell our products to local manufacturer of FMCG companies. Further, our foreign traders are located in United States of America and further sell our products to international manufacturers of FMCG products, operating mainly in the Asian regions.
- *International customers:* Our Company exports its finished products to various intermediaries in United States of America and has therefore established an indirect international presence for its products. Additionally, products which do not qualify our quality requirements, are exported to different countries for manufacturing of pet food. The sales and marketing team of our Company has enabled us to create a separate distribution vertical wherein we directly sell our products to international intermediaries and therefore reducing our dependence upon our trader network.

The revenue earned from the sale of our products, through institutional customers, traders and international customers during the three month period ended June 30, 2024 and the Fiscals 2024, 2023 and 2022 have been provided below:

| Particulars | 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 |
| Institutional customers | 214.86 | 28.94 | 1009.70 | 43.15 | 1198.07 | 79.40 | 871.21 | 64.24 |
| Traders | 527.67 | 71.06 | 1100.36 | 47.03 | 108.34 | 7.18 | 168.63 | 12.43 |
| International customers | 0.00 | 0.00 | 229.72 | 9.82 | 202.46 | 13.42 | 316.43 | 23.33 |
| Total | 742.53 | 100.00 | 2339.78 | 100.00 | 1508.87 | 100.00 | 1356.26 | 100.00 |

All our products are produced at our manufacturing facility, located in District Dhar, Madhya Pradesh, with a production capacity of approximately 1500 MT for all our dehydrated products, divided into two facilities. This enables us to have an effective control over the manufacturing process and to ensure consistent quality of our products. Our Company operates under the guidance of our Promoters, Raghav Somani and Priya Somani, who have a long standing experience in the food dehydration and food processing industry. During the year 2014, our Promoters incorporated our Company and in the year 2015, we established a manufacturing unit with a semi-automatic line and a small dryer, for processing and manufacturing dehydrated vegetables. In 2019, we automated the existing manufacturing unit by replacing the semi-automatic line with an automatic process line. We also installed an in-house meyer color sorter machine for improving quality of our products. In the year 2022, with the aim of expanding our manufacturing capacity, we had installed an additional vegetable processing line to increase production and set up an additional food dehydration and processing line in our manufacturing unit. We further expanded our manufacturing capacity and increased our ability to store and process raw materials and finished products, by establishing an in-house cold storage in our manufacturing unit. We wish to enhance our existing manufacturing process and increase our manufacturing capacity by utilising ₹ 699.75 lakhs from the Net Proceeds towards installing additional machinery in both of our production lines and setting up of on-grid rooftop solar PV system of a capacity of 149.04KWp at our existing manufacturing unit. For further details, please see “*Objects of the Offer*” on page 92 of this Draft Red Herring Prospectus.

We have a successful track record which has enabled us to develop an effective business model with stringent control over processes, including raw material procurement, manufacturing operations, inventory management and logistics management. We adhere to stringent product quality standards and closely track consumer preferences across segments from cross-section of markets. 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, while sub-standard products are exported for pet food production to international intermediaries. The commercialisation of our waste material makes our manufacturing unit a zero wastage unit. Owing to the enhanced quality of our products, our Company has received approval from the United States Food and Drug Administration for its products.

Since incorporation, it has been our Company’s vision and focus to manufacture and supply superior quality products to our customers, which has enabled us to expand our business operations. We have a quality control and assurance division (“**Quality Division**”) in our manufacturing unit which carries out the required tests on the materials received including raw materials which are used in the manufacturing process and also on the final products. Our Quality Division carries out sensory, physical or chemical and microbiological tests on the raw materials and finished products to ensure that our products are compliant with the specifications provided by our customers in case of institutions sales and are compliant with specifications of FSSAI. Our Quality Division also carries out tests on all the stages of our manufacturing processes to ensure that the quality is built through the process. In order to ensure delivery of utmost quality products to our customers, our Company on a periodic basis, engages third party laboratories to carry out quality checks on its finished products, on a sample basis.

We have a strong and experienced management team with a cumulative experience of more than two decades has positioned our business well for continued growth and development. Our Promoters have played a key role in developing our business and we benefit from their significant experience in the food processing industry. We also have a qualified key management team with experience in food processing industry, including in the areas of manufacturing, product development, quality control, information technology, strategy and business development. We believe that the domain knowledge and experience of our individual Promoters and our key management team provides us with a significant competitive advantage as we seek to grow in our existing markets and enter new segments and geographies. The success of our management team is also demonstrated by our growth including our ability to develop new products as well as attract and retain our customers over a long period of time. We also believe our management team has demonstrated its

ability to execute our required business plan and has the skills and experience needed to implement our strategic objectives related to our business and expansion in the future.

Our revenues from operations for the three month period ended June 30, 2024 and the Fiscals 2024, 2023 and 2022 were ₹ 742.53 lakhs, ₹ 2339.78 lakhs, ₹ 1508.87 lakhs and ₹ 1356.26 lakhs, respectively. Our EBITDA for the three month period ended June 30, 2024 and the Fiscals 2024, 2023 and 2022 were ₹ 259.78 lakhs, ₹ 597.68 lakhs, ₹ 161.05 lakhs and ₹ 140.71 lakhs, respectively, respectively. Our profit after tax for the three month period ended June 30, 2024 and the Fiscals 2024, 2023 and 2022 were ₹ 148.98 lakhs, ₹ 329.23 lakhs, ₹ 59.41 lakhs and ₹ 73.37 lakhs, respectively, respectively. For further details, please refer to the section titled “*Financial Information*” on page 183 of this Draft Red Herring Prospectus.

KEY PERFORMANCE INDICATORS

The key financial and operational performance indicators of our Company as at and for the three months period ended June 30, 2024 and as at and for the Financial Years ended on March 31, 2024, March 31, 2023 and March 31, 2022 have been provided below:

| Sr No. | Metric | As of and for the period ended June 30, 2024* | As of and for the Fiscal | | |
|--------|---------------------------------------|---|--------------------------|----------|----------|
| | | | 2024 | 2023 | 2022 |
| 1 | Revenue From operations (₹ in Lakhs) | 742.53 | 2,339.78 | 1,508.87 | 1,356.26 |
| 2 | Total Income (₹ in Lakhs) | 751.91 | 2,367.04 | 1,530.26 | 1,364.64 |
| 3 | Operating EBITDA (₹ in Lakhs) | 259.78 | 597.68 | 161.05 | 140.71 |
| 4 | Operating EBITDA Margin (%) | 34.99 | 25.54 | 10.67 | 10.38 |
| 5 | Profit After Tax (₹ in Lakhs) | 148.98 | 329.23 | 59.41 | 73.37 |
| 6 | PAT Margin (%) | 20.06 | 14.07 | 3.94 | 5.41 |
| 7 | Return on Equity (ROE) (%) | 22.50 | 77.85 | 25.99 | 45.06 |
| 8 | Return on Capital Employed (ROCE) (%) | 14.27 | 47.32 | 13.67 | 20.61 |
| 9 | Debt to Equity Ratio | 2.81 | 2.20 | 5.17 | 3.54 |
| 10 | Current Ratio | 1.54 | 1.39 | 1.24 | 1.17 |
| 11 | Net Capital Turnover Ratio | 0.81 | 4.60 | 6.96 | 16.65 |

*Not annualised

Notes:

- As certified by the Statutory Auditors M/s Maheshwari and Gupta, Chartered Accounts (ICAI Firm Registration No.: 006179C) pursuant to their certificate dated October 9, 2024. The Audit committee in its resolution dated October 9, 2024 has confirmed that the Company has not disclosed any KPIs to any investors at any point of time during the three years preceding the date of this Draft Red Herring Prospectus other than as disclosed in this section.
- Revenue from Operations means the Revenue from Operations as appearing in the Restated Financial Statements.
- Operating EBITDA refers to earnings before interest, taxes, depreciation, amortization less other income.
- Operating EBITDA Margin refers to Operating EBITDA during a given period as a percentage of revenue from operations during that period.
- PAT Margin quantifies our efficiency in generating profits from our revenue and is calculated by dividing our net profit after taxes by revenue from operations.
- Return on equity (RoE) is equal to profit for the year divided by the Average total equity and is expressed as a percentage.
- RoCE (Return on Capital Employed) (%) is calculated as EBIT divided by capital employed. Capital employed is calculated as Total Equity plus Long term Debt.
- Debt to Equity ratio is calculated by dividing the total debt by total equity.
- Current Ratio is a liquidity ratio that measures our ability to pay short-term obligations (those which are due within one year) and is calculated by dividing the current assets by current liabilities.
- Net Capital Turnover Ratio quantifies our effectiveness in utilizing our working capital and is calculated by dividing our revenue from operations by our working capital (i.e., current assets less current liabilities).

FINANCIAL HIGHLIGHTS

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

| State | Three-month period ended | | Fiscal | | | | | |
|----------------|--------------------------------|--------------------|--------------------------------|--------------------|--------------------------------|--------------------|--------------------------------|--------------------|
| | 30th June 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 |
| Madhya Pradesh | 515.62 | 69.44 | 1175.28 | 50.23 | 296.81 | 19.67 | 389.25 | 28.70 |
| Maharashtra | 82.83 | 11.16 | 253.718 | 10.84 | 290.25 | 19.24 | 163.25 | 12.04 |
| Uttarakhand | 70.46 | 9.49 | 124.69 | 5.33 | 85.93 | 5.69 | 138.02 | 10.18 |
| Gujarat | 3.14 | 0.42 | 117.74 | 5.03 | 47.2 | 3.13 | 59.36 | 4.38 |
| Kerala | 0 | 0.00 | 0 | 0.00 | 63.33 | 4.20 | 39.93 | 2.94 |
| Karnataka | 46.47 | 6.26 | 438.625 | 18.75 | 348 | 23.06 | 166.17 | 12.25 |
| Punjab | 0 | 0.00 | 0 | 0.00 | 22.28 | 1.48 | 8.46 | 0.62 |
| West Bengal | 23.98 | 3.23 | 0 | 0.00 | 152.61 | 10.11 | 75.36 | 5.56 |
| Total | 742.52 | 100 | 2,110.06 | 90% | 1,306.41 | 87 | 1,039.84 | 77 |

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 | 31 | 202.46 | 13 | 316.43 | 23 |
| Total | - | - | 229.72 | 31 | 202.46 | 13 | 316.43 | 23 |

The table below sets forth a break-up of the revenue earned by our Company from top ten customers during the preceding three years:

| Particulars | Three month period ended June 30, 2024 | |
|--------------|--|--------------------|
| | Revenue earned in (₹ in lakhs) | % of total revenue |
| Customer 1 | 253.90 | 34.19 |
| Customer 2 | 152.41 | 20.53 |
| Customer 3 | 82.84 | 11.16 |
| Customer 4 | 70.46 | 9.49 |
| Customer 5 | 69.26 | 9.33 |
| Customer 6 | 46.48 | 6.26 |
| Customer 7 | 23.99 | 3.23 |
| Customer 8 | 19.73 | 2.66 |
| Customer 9 | 10.44 | 1.41 |
| Customer 10 | 4.64 | 0.63 |
| Total | 734.15 | 98.87 |

| Particulars | Fiscal 2024 | |
|--------------|--------------------------------|--------------------|
| | Revenue earned in (₹ in lakhs) | % of total revenue |
| Customer 1 | 507.42 | 21.44 |
| Customer 2 | 335.47 | 14.17 |
| Customer 3 | 229.72 | 9.70 |
| Customer 4 | 210.90 | 8.91 |
| Customer 5 | 124.69 | 5.27 |
| Customer 6 | 62.13 | 2.63 |
| Customer 7 | 41.21 | 1.74 |
| Customer 8 | 18.45 | 0.78 |
| Customer 9 | 11.87 | 0.50 |
| Customer 10 | 11.52 | 0.49 |
| Total | 1,553.38 | 65.63 |

| Particulars | Fiscal 2023 | |
|-------------|--------------------------------|--------------------|
| | Revenue earned in (₹ in lakhs) | % of total revenue |
| Customer 1 | 381.17 | 24.91 |
| Customer 2 | 333.08 | 21.77 |

| Particulars | Fiscal 2023 | |
|--------------|--------------------------------|--------------------|
| | Revenue earned in (₹ in lakhs) | % of total revenue |
| Customer 3 | 278.90 | 18.23 |
| Customer 4 | 202.46 | 13.23 |
| Customer 5 | 93.32 | 6.10 |
| Customer 6 | 89.33 | 5.84 |
| Customer 7 | 22.28 | 1.46 |
| Customer 8 | 11.22 | 0.73 |
| Customer 9 | 8.84 | 0.58 |
| Customer 10 | 6.70 | 0.44 |
| Total | 1427.29 | 93.27 |

| Particulars | Fiscal 2022 | |
|--------------|--------------------------------|--------------------|
| | Revenue earned in (₹ in lakhs) | % of total revenue |
| Customer 1 | 316.43 | 23.33 |
| Customer 2 | 265.20 | 19.55 |
| Customer 3 | 202.49 | 14.93 |
| Customer 4 | 185.06 | 13.64 |
| Customer 5 | 140.55 | 10.36 |
| Customer 6 | 70.30 | 5.18 |
| Customer 7 | 61.89 | 4.56 |
| Customer 8 | 43.43 | 3.20 |
| Customer 9 | 14.62 | 1.08 |
| Customer 10 | 8.45 | 0.62 |
| Total | 1,308.41 | 96.47 |

The table below sets forth a break-up of the top ten suppliers during the preceding three years:

| Particulars | Three month period ended June 30, 2024 | |
|--------------|--|---------------------|
| | Expenses incurred in (₹ in lakhs) | % of total expenses |
| Supplier 1 | 299.24 | 60.81 |
| Supplier 2 | 57.6 | 11.71 |
| Supplier 3 | 30 | 6.10 |
| Supplier 4 | 12.38 | 2.51 |
| Supplier 5 | 10 | 2.03 |
| Supplier 6 | 10 | 2.03 |
| Supplier 7 | 5.03 | 1.02 |
| Supplier 8 | 5.01 | 1.02 |
| Supplier 9 | 5 | 1.02 |
| Supplier 10 | 3.79 | 0.77 |
| Total | 438.04 | 89.02 |

| Particulars | Fiscal 2024 | |
|--------------|-----------------------------------|---------------------|
| | Expenses incurred in (₹ in lakhs) | % of total expenses |
| Supplier 1 | 113.89 | 6.61 |
| Supplier 2 | 95.36 | 5.53 |
| Supplier 3 | 87.36 | 5.07 |
| Supplier 4 | 59.95 | 3.48 |
| Supplier 5 | 51.67 | 3.00 |
| Supplier 6 | 51.00 | 2.96 |
| Supplier 7 | 47.15 | 2.74 |
| Supplier 8 | 24.35 | 1.41 |
| Supplier 9 | 17.58 | 1.02 |
| Supplier 10 | 1.01 | 0.06 |
| Total | 549.31 | 31.87 |

| Particulars | Fiscal 2023 | |
|-------------|-----------------------------------|---------------------|
| | Expenses incurred in (₹ in lakhs) | % of total expenses |
| Supplier 1 | 202.74 | 14.49 |
| Supplier 2 | 141.01 | 10.08 |
| Supplier 3 | 97.24 | 6.95 |
| Supplier 4 | 78.21 | 5.59 |
| Supplier 5 | 63.69 | 4.55 |
| Supplier 6 | 54.69 | 3.91 |
| Supplier 7 | 54.64 | 3.91 |
| Supplier 8 | 30.04 | 2.15 |
| Supplier 9 | 2.64 | 0.19 |
| Supplier 10 | 2.40 | 0.17 |
| Total | 727.30 | 51.99 |

| Particulars | Fiscal 2022 | |
|--------------|-----------------------------------|---------------------|
| | Expenses incurred in (₹ in lakhs) | % of total expenses |
| Supplier 1 | 111.49 | 14.18 |
| Supplier 2 | 107.98 | 13.73 |
| Supplier 3 | 81.60 | 10.38 |
| Supplier 4 | 48.90 | 6.22 |
| Supplier 5 | 44.59 | 5.67 |
| Supplier 6 | 34.79 | 4.42 |
| Supplier 7 | 26.05 | 3.31 |
| Supplier 8 | 21.46 | 2.73 |
| Supplier 9 | 17.53 | 2.23 |
| Supplier 10 | 14.66 | 1.86 |
| Total | 509.04 | 64.72 |

OUR COMPETITIVE STRENGTHS

Premier customer base leading to stability in our business operations

Our Company has invested in establishing processes, teams and infrastructure to serve its customers, who are leaders in the FMCG industry. Our Company offers its products, mainly dehydrated vegetables to a leading FMCG manufacturer, who use our products to manufacture ready to eat, noodles, pastas and soups under renowned brands. The revenue earned from the sale of our products, through institutional customers during the three month period ended June 30, 2024 and the Fiscals 2024, 2023 and 2022 have been provided below:

| 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 |
| 223.764 | 30 | 1008.78 | 43 | 919.17 | 60 | 872.03 | 64 |

The FMCG sector in India expanded due to consumer-driven growth and higher product prices, especially for essential goods. The key growth drivers for the sector include favourable Government initiatives & policies, a growing rural market and youth population, new branded products, and growth of e-commerce platforms. India's fast-moving consumer goods (FMCG) sector grew 7.5% by volumes in the April-June 2023 quarter, the highest in the last eight quarters, led by a revival in rural India and higher growth in modern trade. CRISIL forecasts 7-9% revenue growth for the FMCG sector in the current FY25, driven by increased volume and rural demand recovery. Fast-moving consumer goods (FMCG) sector is India's fourth-largest sector and has been expanding at a healthy rate over the years because of rising disposable income, a rising youth population, and rising brand awareness among consumers. (*Source: <https://www.ibef.org/industry/fmccg>*).

Since our products are an important component of the products manufactured in the FMCG industry, therefore the demand of our products is directly proportional to the demand of the products of our customers. We believe that owing to our scalable manufacturing infrastructure, cost-effective raw material sourcing, quality offerings and scalable operations, we are strategically positioned to gain from the industry tailwinds in the FMCG industry.

Flexible and diversified product portfolio

Our capacity to continuously diversify and develop our products, effectively supported by our strategically located manufacturing and distribution network, enables us to launch and market new products aligned to evolving consumer preferences. Our products are generally standardised in nature, however on specific requirements of our customers, we also customise our product offerings. For instance, we are in the process of developing dehydrated pumpkin and dehydrated beetroot, on special order basis for our customers. Our Company had initially started its operations by manufacturing dehydrated carrots, however it has scaled and expanded its operations by manufacturing dehydrated cabbage as well as French beans, solely based on the demand of our customers. Our flexible and scalable model facilitates minimal time-to-scale, and has enabled us to generate significant revenues from each of our products. A break up of the product-wise revenues earned by our Company during the three month period ended June 30, 2024 and during the Fiscals 2024, 2023 and 2022 have been provided below:

| 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 |
| <i>Our Main Products</i> | | | | | | | | |
| 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) | 202.44 | 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 |
| Carrot | 18.73 | 2.52 | 609.51 | 26.05 | 83.30 | 5.52 | - | - |
| <i>Our Ancillary Products</i> | | | | | | | | |
| 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 |
| Washed Carrot | 19.54 | 2.63 | - | - | - | - | - | - |
| Dextrose Mono Hydrate | 3.39 | 0.46 | - | - | - | - | - | - |
| Dehydrated White Onion Skin | - | - | - | - | 0.85 | 0.06 | - | - |
| Dehydrated White Onion Unsorted | - | - | - | - | 1.60 | 0.11 | - | - |
| Total | 742.57 | 100.00 | 2,339.78 | 100.00 | 1,508.87 | 100.00 | 1,356.26 | 100.00 |

Our manufacturing facilities have been designed and executed in such a manner that the machinery installed can process and manufacture products in addition to our existing products, thus enabling us to expand our product portfolio without having to make substantial infrastructure. In order to capitalise this ability, we propose to expand our products to include, dried papaya, dried beetroot and dried pumpkin. Owing to our wide range of products, our business and results of operations are less susceptible to price fluctuation or disruptions in market trends.

Sustainable business operations

We are a socially and ethically compliant manufacturer and exporter of dehydrated vegetables to renowned brands and local manufacturers. In order to effectively follow quality norms prescribed by our clients, we procure organic vegetables directly from farmers in Madhya Pradesh and Amritsar. We also procure vegetables from Agricultural Produce Marketing Committee (“APMC”) to maintain cost-competitiveness and freshness of our raw materials. We have maintained good and cordial relations with carrot growing farmer base so as to ensure un-interrupted supply of carrot within the required time period. This not only helps us in ensuring the supply of quality raw materials but also ensures that the We believe that these relationships give us a competitive advantage, by offering priority raw material supply from designated farmers, as compared to our customers.

Additionally, the machinery installed at our manufacturing unit, utilises automatic heat generation to dehydrate vegetables, to reduce generation and release of steam outside the manufacturing unit. This capacity enhancement has made our operations sustainable and environmental friendly. We also propose to utilise a portion of the Net Proceeds aggregating to ₹ 53.48 lakhs from the Offer, for the purpose of funding purchase and installation of solar panel in our manufacturing unit to reduce our dependence on non-renewable energy sources and reduce the cost involved in manufacturing our products. We believe our sustainable operations would also make our products eligible for entering into newer geographies, such as Europe. For further details, please see “*Objects of the Offer*” on page 92 of this Draft Red Herring Prospectus.

Our goal is to constantly improve our processes in a way that results in efficient and avoids excess usage of power, water and other natural resources. Sustainability has become more relevant today than it has ever been. It is one of the fundamentals of a successful business strategy. We believe in operating with efficiency, by delivering a positive impact on the planet and on our stakeholders and communities. This belief drives our success philosophy. Our goal is to constantly improve our processes in ways that would lead to optimal utilization of resources like power, water and the other essential natural resources. Taking such environmentally aware measures also add on to our business competencies in a dynamic business environment and continues to provide sustainable growth and profitability to our stakeholders.

Quality Assurance and Quality Control of our products.

We are committed towards quality of our products. Our determination towards quality is demonstrated by well-defined quality and safety procedures at various stages of our manufacturing process from procurement of raw material to distribution of our products. Owing to the expertise of our experienced and trained team forming part of our Quality Division, all our products are manufactured strictly as per the regulatory standards. Our manufacturing unit has a fully equipped Quality Division, which included our Chairman and Managing Director, Raghav Somani, with experienced and qualified staff to carry out quality checks and inspections at all the stages of our manufacturing process. We have necessary infrastructure to test our raw materials and finished products to match the quality standards as specified by the relevant customers and FSSAI Standards. Our Quality Division and in-house quality laboratory is well-equipped for ensuring the quality and compliance with regulatory standards. In order to ensure delivery of utmost quality products to our customers, our Company on a periodic basis, engages FSSAI approved laboratories to carry out quality checks on its finished products, on a sample basis. Our Company has received the following quality related approvals, which certify the quality of our products as well as manufacturing procedures:

| Sr. No. | Type of License/Approval | Issuing Authority | Reference Registration / License No. | Date of Issue/Renewal | Valid up to |
|---------|--|--|--|-----------------------|-------------------|
| 1. | License under Food Safety and Standards Act, 2006 (Central License) to carry on the business of manufacturing, exporting, importing, trading of dehydrated fruits and vegetables | Designated Officer, Food Safety and Standards Authority of India, Government of India. | 10019026001401 | December 14, 2023 | January 2, 2027 |
| 2. | Certificate of Registration pursuant to Federal Food Drug and Cosmetic Act as amended by the Bioterrorism Act of 2002 and the FDA Food Safety Modernization Act. | U.S. Food and Drug Administration (US FDA) | U.S. FDA Reg. No.: 13915865732 U.S. FDA UFI (DUNS) No.: 675487930 | October 5, 2023 | December 31, 2024 |
| 3. | Kosher Certificate | London Beth Din Kashrut Division (KLBD) | 14868562 | February 2, 2024 | February 1, 2025 |

| Sr. No. | Type of License/Approval | Issuing Authority | Reference Registration / License No. | Date of Issue/Renewal | Valid up to |
|---------|---|---|---------------------------------------|---|--------------------|
| 4. | Registration - cum - Membership Certificate issued for Fresh Onions, Other Fresh Vegetables, Fresh Mangoes, Fresh Grapes, Other Fresh Fruits, Dried & Preserved Vegetables, Other Processed Fruits Vegetables | Agricultural and Processed Food Products Export Development Authority, Bhopal | File No.: RCMCRENEWAPE DA00057318AM25 | September 9, 2024 | September 8, 2029 |
| 5. | Certificate of Registration to certify that the Management System of our Company has been formally assessed and found to comply with the requirements of HACCP (Hazard Analysis and Critical Control Points) for the scope of Manufacturing of Dehydrated Vegetables. | International Certification & Inspection UK Limited | ICI/9071625/24 | September 12, 2024 First Surveillance Audit on or before: August 12, 2025 Second Surveillance Audit on or before: August 12, 2026 | September 11, 2027 |
| 6. | Certificate of Registration to certify that the Management System of our Company has been audited by ICV and found to be in compliance with the requirements of the standard ISO 22000 : 2018 (Food Safety Management Systems) for the scope of Manufacturing of Dehydrated Vegetables. | ICV ASSESSMENTS PVT. LTD. | IN/76014908/1345 | September 12, 2024 1st Surveillance Due: August 12, 2025 2nd Surveillance Due: August 12, 2026 | September 11, 2027 |

We adopt stringent quality control measures for our products. Given the high level of automation at our plant, we can produce the desired quality consistently. The vegetables are tested at various stages from their procurement to dehydration stage. In the dehydration stage, our team of experts supervises and check the colour and composition of the products to ensure that the products are fit to be dispatched to our customers. Our teams also carry out checks to ensure that the chemicals composition of the product matches the requirement of our customers, and the products are free from any external biological elements such as, E-coli, bacteria, *etc.* Our industrial customers themselves have stringent quality control requirements and perform regular audits of our facilities. We have a strong focus on innovation in processes to improve yields and reduce costs.

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

Our strategically located multi-product manufacturing unit manufactures products close to our suppliers and reduces our costs of transportation by manufacturing almost all our product under one roof, thereby giving us an advantage over our competitors. Our manufacturing unit is situated in District Dhar in Madhya Pradesh.



In the year 2022, we had constructed an in-house cold storage in our manufacturing unit to increase our manufacturing capacity by adding longevity to our storage process, and enabling storage of our finished products for a prolonged period of time. Our captive cold storage has the ability to control temperature and humidity inside the storage chamber to store fresh vegetables (raw material) as well as finished goods. Having storage on site reduces our logistics cost and also provide ability to buy raw material in excess of requirement when prices of raw material are at lower end enabling us to bring our average cost of procurement to lower side. Our investment in modern infrastructure and our ability to enhance capacity utilization in excess of installed capacities in manufacturing results into economies of scale. We manufacture multiple products under one roof in one of our manufacturing unit, which results in cost savings in terms of shared overheads and resources across different product categories. It also reduces transportation costs and improves logistics management as our dealers can place orders for multiple products from one manufacturing facility resulting in single truck load delivery enabling them to replenish stocks at regular intervals.

Cost efficient sourcing and locational advantage

We believe that our cost efficient manufacturing and supply chain management results in a significant reduction in our operational costs. With our experience, we are able to time our procurement of raw materials source these materials at a competitive price. The location of our current manufacturing unit gives us a significant competitive cost advantage in terms of raw material sourcing, manufacturing and labour costs.

Well experienced management team with proven project management and implementation skills.

We are led by a group of individuals, having a background and experience in the FMCG industry. Our Promoters have been associated with us since the inception and are actively involved in the strategic decision making for our Company, pertaining to corporate and administrative affairs, financial operations, expansion activities, business development and management of overall business. The team comprises of personnel having technical, operational and business development experience. We have employed suitable technical and support staff to manage key areas of activities allied to operations. Our team is well qualified and experienced and has been responsible for the growth of our operations. We believe the stability of our management team and the industry experience brought in coupled with their strong reputes, will enable us to continue to take advantage of future market opportunities and expand into new markets. For further details of the educational qualifications and experience of our management team, our Key Managerial Personnel and Senior Managerial Personnel please refer the chapter titled “*Our Management*” beginning on page 164 of this Draft Red Herring Prospectus.

OUR BUSINESS STRATEGIES

Increasing our manufacturing capacity to focus on the growing demand of our core products

We have over the years increased our production capacities through consistent growth and innovation. During the year 2014, our Promoters incorporated our Company and in the year 2015, we established a manufacturing unit with a semi-automatic line and a small dryer, for processing and manufacturing dehydrated vegetables. In 2019, we automated the existing manufacturing unit by replacing the semi-automatic line with an automatic process line. We also installed an in-house meyer color sorter machine for improving quality of our products. In the year 2022, with the aim of expanding our manufacturing capacity, we had installed an additional vegetable processing line to increase production and set up an

additional food dehydration and processing line in our manufacturing unit. We further expanded our manufacturing capacity and increased our ability to store and process raw materials and finished products, by establishing an in-house cold storage in our manufacturing unit. We believe that our strong presence in the Indian market positions us well to capitalise on the anticipated growth in demand of our core products. We intend to expand the manufacturing capacity by adding new machinery to our existing manufacturing unit, which will increase the present capacity and enhance the quality of our products. As part of such investment, we intend to incur expenditure towards purchase of new machinery and equipment for our two production lines and also install solar rooftops from Net Proceeds of the Offer. The strategic decision to add additional machinery, will increase our ability to cater to the expected increase in demand of our products. We believe that our strategic decision to expand the capacity of our manufacturing unit will significantly increase our product offering and we also expect to benefit from economies of scale. For further details, please refer to the chapter titled “*Objects of the Offer*” on page 92 of this Draft Red Herring Prospectus.

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

We intend to enter new product categories viz. dried papaya, dried beetroot and dried pumpkin for our institutional customers. In accordance with this, while we seek to continue to strengthen our existing product portfolio, we intend to further diversify into products with prospects for increased growth and profitability. We plan to continue to increase offerings in our current business segments as well as diversify into new products by tapping into segments which in the view of our management have attractive growth prospects. We believe that our emphasis on quality of manufacture and timely delivery of our offerings have been a key factor in our ability to attract new customers and to retain our existing customers. We intend to draw on our experience, market position and ability to timely deliver quality products to successfully foray into other sectors as well as to other geographies.

Diversifying and increasing penetration in markets

Our Company is proposing to expand its business operations globally by exporting our products/by-products to countries/continents such as Europe. Our products find various applications in manufacture of wide variety of FMCG products. Our Company believes that the global markets offer various opportunities in term of sub-geographic penetration and product/ market diversification which we intend to seize and increase our market share by exploring untapped markets and segments to enhance our geographical reach.

Strengthen our marketing network

We intend to increase our distribution network by adding additional institutional customers to our customer base, domestically as well as internationally. Our ability to enhance our business operations shall be dependent upon us increasing our customer base through our marketing efforts. Our core competency lies in the thorough understanding of our customers’ needs and preferences, our vision to engage in sustainable practices and providing unparalleled quality of our products thereby achieving customer loyalty. We intend to strengthen our existing marketing team by inducting qualified and experienced personnel, who will supplement our existing marketing strategies in the domestic and international markets.

We would aim our business strategies to be dynamic and proactive, given the macro and micro market environments in which we operate or where we may expand in the future. Our Company shall always strive to:

- achieve maximum operational efficiency;
- strengthen and expand our market position and product portfolio;
- enhance our depth of experience, knowledge-base and know-how; and
- increase our network of distributors, customers and geographical reach.

DETAILS OF OUR BUSINESS

PRODUCTS


Dehydrated Carrot

Drying carrots using a dehydrator preserves the bright orange color, flavor and most of the nutrients of the fresh vegetable. Dried carrots are terrific in soups (including homemade soup stocks), stews and pasta sauces. They also take up very little space and weigh almost nothing, which makes them very easy to store. Dehydrated carrots are used in various dishes including casseroles, loaves, pizza toppings, omelettes and bread, stews and soups. They also work well for stir-frying

with other vegetables. Due to such diverse uses of dehydrated carrots, the export of dehydrated carrots from India has been increasing over the years.

Processing of Dehydrated Carrot begins with picking the best-quality fresh Carrots, numerous quality checks, washing, cutting and blanching ensure the cleanest carrot before drying. Dehydrated carrots contain low moisture and are cooked before drying for use in ready to eat products such as noodles, soups etc. Before packing Dehydrated carrots undergo rigorous quality checks such as grading, sorting and metal detection to ensure the most premium quality for our clients. We pack and supply in various pack sizes according to client requirements.

We typically market and sell dehydrated carrot to leading FMCG companies, who further utilise our products for making soups, noodles, pastas, etc. We also export our products to foreign traders in United States of America.

| Product | Photo |
|-------------------|---|
| Dehydrated Carrot |  |

Dehydrated Cabbage

Greenish-white coloured dehydrated cabbage recreates freshness and increases the volume when rehydrated possessing the taste of freshly cooked cabbages. Dehydrated cabbages ease off the washing, dicing, and boiling of the fresh cabbage by putting back our flakes form. Fresh cabbages are dehydrated making it easy to mingle with instant products. Dehydrated cabbage is used for making instant soup powder, noodles feed the tastemaker, food premix appetizers, etc.

Processing of Dehydrated Cabbage begins with picking the best-quality fresh Cabbage, numerous quality checks, washing, cutting and blanching ensure the cleanest cabbage before drying. Dehydrated cabbage contain low moisture and are cooked before drying for use in ready to eat products such as noodles, soups etc. Before packing Dehydrated cabbage undergoes rigorous quality checks such as grading, sorting and metal detection to ensure the most premium quality for our clients. We pack and supply in various pack sizes according to client requirements.

We typically market and sell dehydrated cabbage to leading FMCG companies, who further utilise our products for making soups, noodles, pastas, etc. We also export our products to foreign traders in United States of America.


| Product | Photo |
|--------------------|--|
| Dehydrated Cabbage |  |

Dehydrated Ring Beans/Beans

Dark greenish brown crispy dehydrated French beans flakes put in lots of nutrients with colour and taste. Our dehydrated French beans when soaked rehydrate retaining many potential benefits. Dried green beans eliminate the time for removing skins, peeling, and washing the beans. Dehydrated French beans are used for making many products such as, noodles, instant food mix, soup powders, *etc.*

Processing of Dehydrated Beans begins with picking the best-quality fresh French Beans, numerous quality checks, washing, cutting, snipping and blanching ensure the cleanest Beans before drying. Dehydrated Beans contain low moisture and are cooked before drying for use in ready to eat products such as noodles, soups *etc.* Before packing Dehydrated beans undergo rigorous quality checks such as grading, sorting and metal detection to ensure the most premium quality for our clients. We pack and supply in various pack sizes according to client requirements.

We typically market and sell dehydrated beans to leading FMCG companies, who further utilise our products for making soups, noodles, pastas, *etc.* We also export our products to foreign traders in United States of America.

| Product | Photo |
|-----------------------|---|
| Dehydrated Ring Beans |  |

Dehydrated Carrot B grade

Dehydrated Carrot B grade is a by-product of Dehydrated Carrot. During the color sorting process discoloured and off colour material is obtained from premium quality. Carrots are naturally rich in fiber and Beta carotene and thus Dehydrated Carrot B grade is good raw material for making pet food.

We generally export dehydrated Carrot B grade to foreign traders or institution manufacturing in United States of America for manufacturing pet food.

| Product | Photo |
|---------------------------|--|
| Dehydrated Carrot B grade |  |

MANUFACTURING PROCESS

Raw material procurement

Our Company is engaged in the business of manufacturing dehydrated vegetables. We typically purchase our raw materials, mainly being fresh vegetables from local farmers or mandis or agricultural produce marketing committee

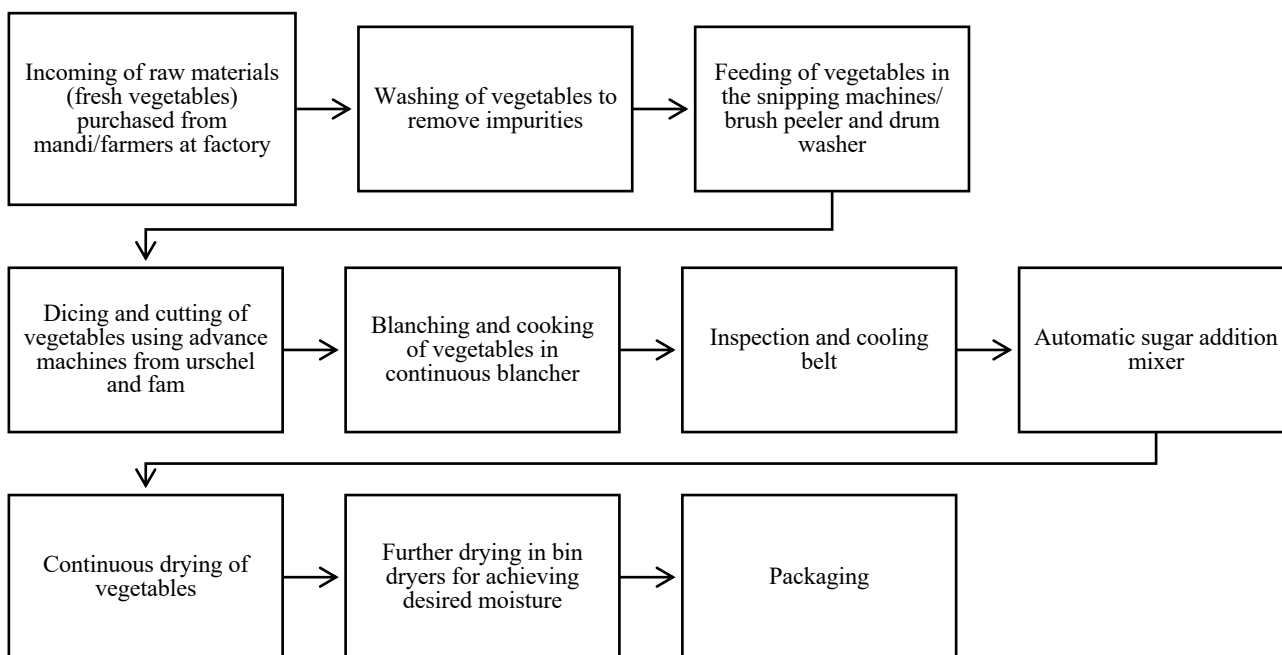
(“APMC”) located in various states. The details of the raw materials required and the source of their procurement has been provided below:

| Raw Material | Source of procurement |
|----------------------|--|
| Carrot | Local farmers and traders |
| Cabbage | Brokers of various APMC mainly Nasik and Chhindwara |
| French beans | Brokers of various APMC mainly Amritsar and Chhindwara |
| Dextrose Monohydrate | Traders based in Indore |
| Bio coal | Traders based in Indore |
| Packaging Material | Various manufacturers from Indore |

RAW MATERIAL PROCUREMENT PROCESS

We procure carrots directly from farmers located in close proximity to our manufacturing unit. We therefore easily approach such farmers for procurement of raw materials at cost competitive prices and low logistical costs. We procure our other main raw materials, being cabbage and French beans through APMCs in Nasik, Amritsar and Chhindwara. We purchase raw materials through brokers operating in these APMCs, who purchase the materials on our behalf and then transport the same to us through surface transportation. Other ancillary raw materials such as dextrose monohydrate, bio coal and packaging material are procured locally through traders.

PRODUCTION PROCESS



Incoming of raw materials (fresh vegetables) purchased from mandi/farmers at factory: The manufacturing process starts with purchase of fresh vegetables, mainly, carrots, beans and cabbage. The raw materials are brought to our manufacturing unit and inspected by our Quality Team to check the colour, texture, aroma, visual appearance, defects or worms in the vegetables.

Washing of vegetables to remove impurities: Vegetables are washed in our in-house washers to remove impurities and prepare the vegetables for dehydration process.

Feeding of vegetables in the snipping machines/ brush peeler and drum washer: Owing to the texture of carrots, we further wash them in a barrel washer to further clean the carrots. Post cleaning of vegetables, we feed carrots into the brush peeler machine and beans into a snipper to dice carrots and remove the outer coating of beans.

Dicing and cutting of vegetables using advance machines from urschel and fam: Post dicing of vegetables, our Quality Team inspects the vegetables to check for quality of dicing, colour of vegetables, texture, etc. This step ensures that the semi-finished product is of good quality and can be processes further in the manufacturing process.

Blanching and cooking of vegetables in continuous blancher: We have installed specialised machinery in our manufacturing unit where vegetables are cooked and blanched, as per the requirements of our customers, The cooking conditions depend on the end use of the product by our customers, and therefore are customised accordingly.

Inspection and cooling belt: Since, our Quality Team conducts testing at each step of the manufacturing process, cooked and blanched vegetables are inspected to check the visual appearance, color, aroma, taste and texture. This test helps our teams to differentiate A grade product from B grade products. A grade products are further processed until packaging for our key institutions customers and B grade products are separated to be sent for manufacturing of animal feed. While, the inspection is carried out the cooked vegetables are cooled down to prepare for further processing.

Automatic sugar addition mixer: Based on the requirement of our customers, and depending on the amount they wish to spend on our products, we add dextrose monohydrate process in our products to remove water from the product and further process the vegetables for dehydration.

Continuous drying of vegetables: Upon addition of additives, we subject the semi-finished vegetables to hot air, in our specialised dryers for five to six hours to remove moisture and dehydrate the vegetables fully.

Further drying in bin dryers for achieving desired moisture: In order to ensure complete removal of moisture and avoid contamination risks, we further dry the vegetables in bi dryers using the centrifugal process, to remove any leftover moisture.

Packaging: Based on the delivery requirements, the products are either sent for packaging or are stored in the cold storage as stock. Packaging involves multiple steps including, grading of material according to size and removing of undersize or oversize material, color sorting to remove discolor, foreign material and stems and tests for metal detection. Once the aforementioned steps are completed, our teams starts packaging of products. The packaging of our products is standard in nature and is undertaken in small bags which are then packed in cartons and shipped to the customer. In certain cases, we also commission third party testing reports prior to dispatch, based on the requirements of our customers.

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) |
|---------|--|----------------------------|-----------------------|-------------------------|------------------------|-------------------|
| 1 | Vegetable Washer | 1 | Fresh 2 MT/hr | NA | Continuous | 900 MT |
| 2 | Carrot Destoner | 1 | Fresh 2 MT/hr | NA | Continuous | 900 MT |
| 3 | Beans Snipper | 7 | Fresh 2 MT/hr | NA | Continuous | 900 MT |
| 4 | Carrot Barrel Washer | 1 | Fresh 2 MT/hr | NA | Continuous | 900 MT |
| 5 | Dicer | 2 | Fresh 2 MT/hr | NA | Continuous | 900 MT |
| 6 | Slicer | 1 | Fresh 2 MT/hr | NA | Continuous | 900 MT |
| 7 | Blancher | 2 | Fresh 2 MT/hr | NA | Continuous | 900 MT |
| 8 | Carrot Peeler | 2 | Fresh 2 MT/hr | NA | Continuous | 900 MT |
| 9 | Sugar Mixer | 2 | Fresh 2 MT/hr | NA | Continuous | 900 MT |
| 10 | Continuous Dryer Boiler Based | 1 | Dried 200 kg/hr | NA | Continuous | 125 MT |
| 11 | Continuous Dryer Heat Pump Based | 1 | Dried 200 kg/hr | NA | Continuous | 125 MT |
| 12 | Grader | 1 | Dried 500 kg/hr | NA | Continuous | 125 MT |
| 13 | Color Sorter | 1 | Dried 500 kg/hr | NA | Continuous | 125 MT |
| 14 | Bin Dryers | 9 | Dried 500 kg/hr | NA | Continuous | 125 MT |
| 15 | Metal Detector | 1 | Dried 500 kg/hr | NA | Continuous | 125 MT |
| 16 | Conveyors | 15 | NA | NA | Continuous | NA |
| 17 | Boiler | 1 | 2000000 lakhs kcal/hr | NA | Continuous | 125 MT |

HUMAN RESOURCE

Our manpower is a prudent mix of the experienced and young people which gives us the dual advantage of stability and growth, along with assurance of quality.

Department wise bifurcation of our employees as of September 15, 2024 has been provided below:

| Sr. No. | Division / Department | Number of Employee |
|---------|-----------------------------------|--------------------|
| 1. | Top Management | 2 |
| 2. | Finance Department | 2 |
| 3. | Human Resource Department | 2 |
| 4. | Sales & Marketing Department | 1 |
| 5. | Purchase & Procurement Department | 1 |
| 6. | Legal and Compliance Department | 1 |
| 7. | Production | 9 |
| 8. | Administrative Department | 3 |
| 9. | Quality control | 4 |
| | Total | 25 |

Our Company does not employ contract labour under the Contract Labour (Regulation & Abolition) Act, 1970.

UTILITIES

Power

The electricity for our manufacturing unit is sourced from MP Paschim Kshetra Vidyut Vitaran Co. Ltd.

Water

Our processing unit has adequate water supply position. We source water supply from a borewell which has been dug in our manufacturing unit.

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% |
| Others | MT | 50 | 28.55 | 57.1% | 50 | 20.84 | 41.68% | 100 | 87.50 | 87.50% |
| TOTAL | | 950 | 718.55 | 75.63% | 950 | 730.84 | 76.93% | 1500 | 1107.5 | 73.83% |

COLLABORATIONS

As on date of this Draft Red Herring Prospectus, we have not entered into any technical or financial collaborations or agreements.

MARKETING, BRANDING & ADVERTISING

We have a long-standing presence in the market which helps us to get repeat orders from our existing customers and also get an opportunity to serve new customers. With the quality of our products that we offer and maintain, we have been able to uphold relations with our customers since long time and we strive to maintain these relations through our evolving

products to meet the requirements of our customers. Additionally, we also offer sample based products to prospective customers. There have been instances wherein we have offered our products as sample to reputed customers and then onboarded them as our customers.

Our Promoter heads the sales and marketing division of our Company. Under his guidance, our Company has been able to create a business model, wherein we directly as well as through unorganised distribution channels, market and sell our products to our domestic as well as international customers. We maintain a dedicated marketing team, which includes our Whole-time Director, Priya Somani, which coordinates corporate-level branding efforts that range from personal meetings with the customers to offering products as per the needs of our customers.

INFORMATION TECHNOLOGY

We believe that an appropriate information technology infrastructure is important to support the growth of our business. Our IT infrastructure enables us to track procurement of raw materials and sale of finished goods. We utilize TallyPrime software which support sales, purchase, inventory management and financial reporting in our Company.

COMPETITION

We operate in the food industry which is highly competitive and fragmented and we compete with a range of unorganized players, at the national and regional level. Further, while we have an expanding portfolio of products, our competitors may have the advantage of focusing on concentrated products. Further, we compete against established players also, which may have greater access to financial, technical and marketing resources and expertise available to them than us in the products and services in which we compete against them.

We believe the principal elements of competition in our industry are quality, price, and range of the products offered. Our presence of over two decades in the market coupled with the high quality and range of products as well as our product development capabilities, helps us in having a competitive edge in the market. For further information on the competition, we face in the markets in which we operate, please see the chapter titled “*Industry Overview*” beginning on page 117 of this Draft Red Herring Prospectus.

QUALITY CONTROL

We place significant emphasis on quality control. We have a quality control and assurance division (“**Quality Division**”), which is aided by third party quality agencies. We have implemented internal procedures to ensure quality control at various stages of production, from procurement and processing of raw material to inventory storage. Our quality control operations are also aided by third party quality control agencies which are engaged by our Company. Our manufacturing unit has personnel responsible for monitoring the parameters of raw materials, semi-finished and finished products, reporting any irregularities in the production process and making corrections accordingly.

Further, some of our customers mandate a quality check on the finished products from a testing agency of their choice, therefore our Quality Team obtains third party testing reports on finished products, to ensure compliance with quality and chemical composition requirements prescribed by our customers. Our Quality Team along with third party testing agencies ensure that the raw materials and finished products of our Company meet the quality parameters prescribed by our customers.

HEALTH AND SAFETY

Our activities are subject to pollution control laws and various regulations which govern, among other matters, the storage and handling of raw materials and finished goods. For further information, please refer to the chapter titled “*Key Industry Regulations and Policies*” beginning on page 151 of this DRHP. We continue to ensure compliance with applicable health and safety regulations and other requirements in our operations.

We have complied, and will continue to comply, with all applicable laws, rules and regulations. We have obtained, or are in the process of obtaining or renewing, all material consents and licenses from the relevant governmental agencies that are necessary for us to carry on our business. For further information, please see the chapter titled “*Government and Other Approvals*” beginning on page 238 of this Draft Red Herring Prospectus.

INSURANCE

Our Company has the following insurance policies in insure its offices, manufacturing facility and assets:

| S. No. | Insurer | Description of Property Insured | Policy No. | Expiry date | Insured Amount |
|--------|---|---|-------------------------------|---|--|
| 1. | Liberty General Insurance Limited | Car Policy Maruti Baleno- Zeta 1.2 | 201140070223700294901000 | August 30, 2025 | 4,27,640 |
| 2. | Future Generali India Insurance Company limited | Tata Motors- Tiago (P) XZA | 132/02/11/0825/MTP/0000060579 | August 7, 2025 | 330,000 |
| 3. | The New India Assurance Company Limited | Hero Moto/HF Deluxe ECO | 45110031230100012179 | February 23, 2025 | 17,770 |
| 4. | United India Insurance Company Limited | Bajaj Auto Ltd/ Pulsar 125 Neon Disc BS6 | 0402013123P115565005 | Own Damage: February 22, 2024 to February 21, 2025 Liability: February 22, 2024 to February 21, 2029 CPA Cover: February 22, 2024 to February 21, 2025 | 76,395 |
| 5. | ICICI Lombard General Insurance Company Limited | Toyota/Urban Cruiser Hyryder | TIL11099406 | Own Damage: February 22, 2024 to February 21, 2025 Third Party: February 22, 2023 to February 21, 2026 | 16,83,550 |
| 6. | Future Generali India Insurance Company limited | Employee Compensation Insurance Policy Employee Compensation Insurance for Skilled and unskilled employees with additional coverage of medical examination of 55 workers. | L0268010 | August 4, 2025 | 11,000,000 |
| 7. | United India Insurance Company Limited | <ul style="list-style-type: none"> • On Entire Building Built Of Class I Construction &/Or Store Room &/Or Godown &/Or All Associated Const Office Building. • On Entire Plant and Machinery &/Or Transformer &/Or Electrical &/Or Mechanical | 1920001124P107466782 | August 16, 2025 | <ul style="list-style-type: none"> • 20,000,000 • 25,000,000 • 20,000,000 |

| S. No. | Insurer | Description of Property Insured | Policy No. | Expiry date | Insured Amount |
|--------|---|---|----------------------|-----------------|---|
| | | <p>Installation &/ Or Self Conveyor, Exhaust Fan, Cyclon Separator, Silencer, Spares &/Or Tools Of Trade Contained At Above Premises.</p> <ul style="list-style-type: none"> On Goods Such As Fruits/Vegetables &/ Or Dried &/Or Dehydration Forms Of Fruits/Dry Fruits/Vegetables Placed &/Or Lying &/Or Contained In The Factory Premises &/Or In Godown Building | | | |
| 8. | United Insurance Company Limited India | <ul style="list-style-type: none"> On Entire Building Built of Class I Construction of Cold Storage Building &/ Or All Associated Const Plinth and Foundation/Eps Thermal Installation On Entire Plant and Machinery &/Or Frozen Chamber Loading Elevator, Steel Rack. Wooden Planks at above premises. Stock Of Potato/Ch Hana/Kirana Goods /Dry Fruits/Fruits/Vegetables/Grains/C arrots/Gaggery/C oriander/Onion &/Or All Kinds Of Fruits/ &/Or Packing Material Of All Kind Placed &/Or Lying &/Or Contained At Above Premises | 1920001124P107466250 | August 16, 2025 | <ul style="list-style-type: none"> 32,500,000 30,000,000 140,000,000 |

Details of our total insurance coverage vis-à-vis our net assets as on March 31, 2024, March 31, 2023 and March 31, 2022 is set out below:

| Particulars | As on March 31, 2024 | As on March 31, 2023 | As on March 31, 2022 |
|--|----------------------|----------------------|----------------------|
| Insurance coverage* (A) | 582.02 | 351.61 | 266.45 |
| Net assets** as per Restated Financial Information (B) | 1,968.16 | 1,651.71 | 756.02 |
| Net tangible assets*** (C) | 602.05 | 274.85 | 215.04 |
| Insurance expenses as per Restated Financial Information | 2.80 | 1.63 | 1.57 |
| Insurance coverage times the net assets (A/B) | 0.30 | 0.21 | 0.35 |
| Insurance coverage times the net tangible assets (A/C) | 0.97 | 1.28 | 1.24 |

* Insurance coverage = Total insurance coverage amount by considering insurance policies of property, equipments, vehicles, stock, erection and all risk insurance

**Net assets = Property, Plant and Equipment (net block) + Capital Work in Progress + Intangibles (net block) + Investment Property (Buildings net block) + Inventories

*** 'Net Tangible Assets' means net block of Property, Plant and Equipment, capital work in progress for fixed assets (including capital advances), Current Assets, Non-current assets (other than Net block of Property, Plant and Equipment, Intangible Assets and Deferred Tax) and excludes Borrowings (secured loans and unsecured loans) and current and non-current liabilities and provisions. As certified by our Statutory Auditors, M/s Maheshwari and Gupta, pursuant to a certificate dated October 9, 2024.

INTELLECTUAL PROPERTY RIGHTS

As on date of this Draft Red Herring Prospectus, our Company does not have any Intellectual Properties.

INFRASTRUCTURE AND FACILITIES

Manufacturing Unit

Survey No. 9/2/1/2 Gavla,
Tehsil Pithampur, Dhar - 454 775,
Madhya Pradesh, India

All our facilities including our in-house quality laboratory, Quality Division, sales and marketing division, warehouse and cold storage are housed in our manufacturing unit.

TRANSPORTATION

Our Company engages third party transport providers for transporting raw materials and finished products.

LAND AND PROPERTY

As on date of this Draft Red Herring Prospectus, our Company has one (1) owned property. The details of the owned property of our Company have been provided below:

| S. No. | Details of the Deed/Agreement | Particulars of the property, description and area | Consideration/ License Fee/Rent | Usage |
|--------|--|--|---------------------------------|-------------------|
| 1. | Sale deed between Shri Ashwini Verma (“Seller”) and Rohit Somani and Raghav Somani (“Purchaser”) | Industrial Diverted land with Tin Shed at Village Gwala, Block Nalchha, Revenue Inspector Circle .. 4, under Patwari Halka No. 61/121, Tehsil and District Dhar, Land Officer, Loan Booklet (Reen Pustika) No. is LL-912342 which is situated under Municipality Limit. It is situated outside Industrial Area | Consideration of Rs. 61,05,000 | Registered Office |

| S. No. | Details of the Deed/Agreement | Particulars of the property, description and area | Consideration/ License Fee/Rent | Usage |
|--------|-------------------------------|---|---------------------------------|-------|
| | | and inside the Gawla Road – 454 775. | | |

As on date of this Draft Red Herring Prospectus, we do not have any leasehold properties.

We hereby confirm that, there are no conflict of interest between the lessor of the immovable properties, (crucial for operations of the company), our Company, our Promoters, Promoter Group, Key Managerial Personnel and our Directors.

KEY INDUSTRIAL REGULATIONS AND POLICIES

The following description is an overview of certain sector-specific relevant laws and regulations in India which are applicable to the operations of our Company and its business. The description of laws and regulations set out below is not exhaustive and is only intended to provide general information to Bidders. The information in this section is neither designed nor intended to be a substitute for professional legal advice and investors are advised to seek independent professional legal advice.

The statements below are obtained from publications available in the public domain based on the current provisions of applicable Indian law, and the judicial, regulatory and administrative interpretations thereof, which are subject to change or modification by legislative, regulatory, administrative, quasi-judicial or judicial decisions/actions and our Company are under no obligation to update the same.

A. INDUSTRY RELATED LAWS AND REGULATIONS

The Food Safety and Standards Act, 2006 (“FSSA”) and the regulations framed thereunder

The FSSA was enacted on August 23, 2006 repealing and replacing the Prevention of Food Adulteration Act, 1954. The FSSA pursues to consolidate the laws relating to food and establish the Food Safety and Standards Authority of India (“FSSAI”) for laying down scientific standards for articles of food and to regulate their manufacture, storage, distribution, sale and import to ensure availability of safe and wholesome food for human consumption, and for matters connected therewith or incidental thereto. The standards prescribed by the FSSAI include specifications for food additives, flavourings, processing aids and materials in contact with food, ingredients, contaminants, pesticide residue, biological hazards and labels. Under the provisions of the FSSA, no person may carry on any food business except under a license granted by the FSSAI. The FSSA sets forth the requirements for licensing and registering food businesses in addition to laying down the general principles for safety, responsibilities and liabilities of food business operators. In exercise of powers under the FSSA, the FSSAI has also framed the Food Safety and Standards Rules, 2011 (“FSSR”). The FSSR sets out the enforcement structure of ‘commissioner of food safety’, ‘the food safety officer’ and ‘the food analyst’ and procedures of taking extracts, seizure, sampling and analysis. The FSSA also lays down penalties for various offences, including recall procedures. The Food Safety and Standards (Licensing and Registration of Food Businesses) Regulations, 2011 provides for the conditions and procedures for registration and licensing process for food business and lays down general requirements to be fulfilled by various food business operators (“FBOs”), including petty FBOs as well as specific requirements to be fulfilled by businesses dealing with certain food products. In terms of the Food Safety and Standards (Food Recall Procedure) Regulations, 2017, every FBO engaged in manufacture, importation or wholesale supply of food is required to have a food recall plan. The packaging done by a FBO is required to comply with the Food Safety and Standards (Packaging) Regulations, 2018, while labelling and display of pre-packaged food items must comply with the Food Safety and Standards (Labelling and Display) Regulations 2020. According to the Food Safety and Standards (Licensing and Registration of Food Business) Amendment Regulations, 2018, an e-commerce FBO (which includes sellers and brand owner who display or offer their food products, through e-commerce, and providers of transportation services for the food products and/or providing last mile delivery transportation to the end consumers), is required to obtain central license from the concerned central licensing authority.

Food Safety and Standards (Packaging Regulations), 2018 (the “Regulations”)

The Food Safety and Standards Authority of India had in accordance with the powers conferred upon it under Section 23 of Food Safety and Standards Act, 2006 promulgated the Food Safety and Standards (Packaging and Labelling) Regulations, 2011 for packaging and labelling of food. On January 03, 2019, the Food Safety and Standards Authority of India (“FSSAI”) announced new regulations with respect to food packaging and divided these regulations into two regulations, (i) the Food Safety and Standards (Packaging) Regulations, 2018; and (ii) the Food Safety and Standards (Labelling and Display) Regulations, 2020. The Food Safety and Standards (Packaging) Regulations, 2018 replaced the packaging provisions of the Food Safety and Standards (Packaging and Labelling) Regulations, 2011. The new regulations include both general and specific requirements for packaging materials and in particular, they prescribe an overall migration limit of 60 mg/kg or 10 mg/dm² and specific migration limits for certain contaminants in plastic packaging materials. The regulations also specify that food packaging materials must now comply with Indian Standards (“IS”) listed in Schedules I, II, and III for paper and paperboard materials, metal and metal alloys, and plastic materials, respectively. Previously, compliance with the standards was voluntary. They are available for purchase through the Bureau of Indian Standards (“BIS”). Furthermore, the revised regulations ban both the use of recycled plastics in food packaging and the use of newspaper and such other materials for packing or wrapping of food articles. They also reference specific Indian Standards for printing inks for use on food packages. Schedule IV of the

regulations is a list of suggested packaging materials for different food product categories.

The Regulations broadly prescribe the general and specific requirements which need to be followed while packaging food and food products. The general requirements to be adhered by a food manufacturer which packing food is that *inter alia* (i) the packaging material complied with the prescribed Indian Standards and wherever the Indian Standards are not available it should comply with the international standards; (ii) any material which comes in direct contact with food or likely to come in contact with food used for packaging, preparation, storing, wrapping, transportation and sale or service of food shall be of food grade quality; (iii) packaging materials shall be suitable for the type of product, the conditions provided for storage and the equipment for filling, sealing and packaging of food as well as transportation conditions; (iv) packaging materials shall be able to withstand mechanical, chemical or thermal stresses encountered during normal transportation; (v) food products shall be packed in clean, hygienic and tamper-proof package or container; (vi) tin containers once used, shall not be re-used for packaging of food; (vii) plastic containers of capacity 5 liter and above and glass bottles, which are reused for packaging of food, shall be suitably durable, easy to clean or disinfect; (viii) printing inks for use on food packages shall conform to IS: 15495; (ix) printed surface of packaging material shall not come into direct contact with food products; (x) newspaper or any such material shall not be used for storing and wrapping of food; (xi) in case of multilayer packaging the layer which comes in direct contact with food or layers likely to come in contact with food shall meet the requirements of packaging materials specified in Schedule I, II and III of these regulations; (xii) the materials listed in Schedule I, II and III of these regulations shall be compatible with their intended use as a packaging material so as not to alter the quality and safety of the food product; (xiii) every food business operator shall obtain the certificate of conformity issued by National Accreditation Board for Testing and Calibration Laboratories (“NABL”) accredited laboratory against these regulations for the packaging material which comes in direct contact with food or layers likely to come in contact with food to be used.

The specific requirements have been diversified on the basis of the nature of the packaging material. The Regulations prescribe specific packaging requirements for the following packaging materials intended to come in contact with food products (i) paper and board materials; (ii) glass containers; (iii) metal and metal alloys; and (iv) plastic materials. The various standards to be met by the aforementioned packaging material have been prescribed under Schedules I to IV.

Food Safety and Standards (Labelling and Display), 2020 (the “Regulations”)

The Food Safety and Standards Authority of India (“FSSAI”) has notified Food Safety and Standards (Labelling and Display) Regulations, 2020, prescribing the labelling requirements of pre-packaged foods and display of essential information on premises where food is manufactured, processed, served and stored. According to the notification, the Food Business Operator (“FBO”) shall comply with all the provisions of these regulations after one year from the date of their publication in the Official Gazette except Chapter 3 (display of information in food service establishments) of these regulations, to which Food Business Operator shall comply by January 1, 2022. The Regulations also introduce the concept of ‘principal display panel’, which refer to the part of the container/package which is intended or likely to be displayed or presented or shown or examined by the customer under normal and customary conditions of display, sale or purchase of the food article contained therein and is typically the first thing a consumer will see when they look at the product. Chapter 1 of the Regulations, prescribes the labelling requirements of pre-packaged foods and display of essential information on premises where food is manufactured, processed, served and stored; Chapter 2 covers the general requirements of labelling of prepackaged foods such as Name of food, Name of food, List of ingredients, Nutritional information, Calculation of Nutrients; Chapter 3 of the regulation contains Display of information in food service establishments; Chapter 4 indicates Labelling Requirements of non-retail container; Chapter 5 of regulation mentions of Labelling of packaged Food Additives for Retail Sale and Schedule II has been set out with mandatory labelling declaration for various food products.

The Regulations prescribe general and specific requirements to be adhered to by a FBO while packaging and labelling a food product, the key requirements have been detailed below:

- Food products sold through e-commerce or any other direct selling means; the Regulation mandates the requirement that the label must be provided to the consumer through appropriate means before sale.
- Where an ingredient is itself the product of two or more ingredients, such a compound ingredient must be declared, by their specific names; in the list of ingredients, or by declaring all of the ingredients of compound ingredient as if they were individual ingredients of the final food. Where a compound ingredient constitutes less than 5 per cent. of the food, the ingredients, other than food additives that serve the technological function in the food products, the same is not required to be declared.
- Every package of food material which is not meant for human consumption shall bear a declaration to this effect by

a specified symbol of a black colour cross inside a square with black outline.

- In case of alcoholic beverages, a declaration is required to be provided on the label providing the details of the manufacturer/ importer, etc. The format of providing the declaration is, “Bottled by” or “Blended and Bottled by” or “Imported and Bottled by”, or “Distilled and Bottled by”.
- The FSSAI logo and license number of the brand owner must be displayed on the label. In addition, the license number of the manufacturer or marketer or packer or bottler, as the case may be, if different from the brand owner, must also be displayed on the label. For imported food products, the importer must display FSSAI logo and license number along with name and address of importer.
- FBOs must display on all their premises, where food is stored, processed, distributed or sold, the Registration/License No. or Food Safety Display Board if specified, along with other information as may be specified by the FSSAI at a prominent place in the premises.
- Provisions are included with regard to declarations to be made on foods and ingredients which are known to cause allergy. Food Service Establishments must mention the following against the food items displayed on the menu cards or boards: information relating to food allergens as prescribed. Allergens may also be depicted by easy-to-understand symbols, logo for veg or non-veg. Under the provisions with regard to Labelling Requirements of non-retail container an additional declaration requirement is introduced- Name and address of the manufacturer or packer (including country of origin for imported packages).

Legal Metrology Act, 2009 (“Legal Metrology Act”)

The Legal Metrology Act came into effect on January 13, 2010 and has repealed and replaced the Standards of Weights and Measures Act, 1976 and the Standards of Weights and Measures (Enforcement) Act, 1985. The Legal Metrology Act seeks to establish and enforce standards of weights and measures, regulate trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure or number and for matters connected therewith or incidental thereto. The Legal Metrology Act provides that for prescribed specifications for 162 all weights and measures used by an entity to be based on metric system based on the international system of units only.

Legal Metrology (Packaged Commodities) Amendment Rules, 2017 (“Packaged Commodity Rules”)

The Packaged Commodity Rules have amended the Legal metrology (Packaged Commodities) Rules, 2011, and lays down specific provisions applicable to packages intended for retail sale, whole-sale and for export and import. Pursuant to the packaged Commodity Rules, any pre-packaged commodity sold for use and consumption by the citizens must properly mention several details such as, the description and quantity of ingredients, date of manufacturing, date of expiry (for items prone to expiration), weight, statutory warnings, manufacturer address, contact and some other info like consumer care details, country of origin, etc.

Standards of Weights and Measures Act, 1976

The Standards of Weights and Measures Act, 1976 (the “Act”) was enacted to regulate trade or commerce in weights, measures and other goods which are sold or distributed by weight, measure or number and to provide for such matters as may be connected thereto. The Act enumerates the specific base units to measure goods and products. Any offence under this Act is punishable with imprisonment or fine or with both based on the type of violation.

Hazard Analysis and Critical Control Points (“HACCP”)

The Hazard Analysis and Critical Control Points system is a systematic and preventive approach crucial for ensuring food safety. HACCP is a management system in which food safety is addressed through the analysis and control of biological, chemical, and physical hazards from raw material production, procurement and handling, to manufacturing, distribution and consumption of the finished product. By systematically analyzing and addressing critical control points, such as specific stages in the production process where hazards could arise, HACCP enables dairy processing companies to proactively mitigate risks and uphold the safety and quality of their products. Compliance with HACCP principles is not only a regulatory requirement in many jurisdictions but also a fundamental practice for safeguarding consumer health and maintaining the reputation of dairy products in the market. Dairy processing companies must adhere to the principles of HACCP to establish a robust food safety management system. The HACCP plan involves a step-by-step analysis, encompassing hazard identification, determination of critical control points, establishment of critical limits, implementation of monitoring procedures, and the development of corrective actions in case deviations occur. This systematic and preventive approach not only ensures the safety of dairy products but also enhances overall quality control. By adopting HACCP, dairy processing companies can systematically evaluate and control potential biological, chemical, and physical hazards

that may arise during various stages of production. This includes examining factors such as raw material handling, processing, packaging, and distribution. The proactive nature of HACCP allows companies to identify potential risks before they become hazards, enabling timely interventions to maintain product safety and integrity. HACCP implementation is often seen as a best practice in the food industry, demonstrating a commitment to quality assurance and consumer safety. Many regulatory authorities and international food safety standards require or recommend HACCP as a mandatory element of food safety management systems.

The Agricultural and Processed Foods Products Export Development Authority Act, 1985 (the “APEDA Act”)

The APEDA Act provides for establishment of Agricultural and Processed Food Products Export Development Authority (the “APEDA”) for the development and promotion of export of certain agriculture and processed food products. Persons exporting any one or more of the products specified in the schedules to the APEDA Act are required to be registered under the APEDA Act and are required to adhere to specified standards and specifications. The APEDA Act provides for imprisonment and monetary penalties for breach of its provisions. Further, the Agricultural and Processed Food Products Export Development Authority Rules, 1986 have been framed for effective implementation of the APEDA Act and provides for the application, grant and cancellation of registration to be obtained by exporters of agricultural produce.

Bureau of Indian Standards Act, 2016 (“BIS Act”)

The BIS Act provides for the establishment of the Bureau of Indian Standards (“BIS”) for the harmonious development of the activities of standardisation, conformity assessment and quality assurance of goods, articles, processes, systems and services. The BIS Act for the functions of the BIS which includes, among others, (a) recognizing as an Indian standard, any standard established for any article or process by any other institution in India or elsewhere; (b) specifying a standard mark which shall be of such design and contain such particulars as may be prescribed to represent a particular Indian standard; and (c) undertake testing of samples for purposes other than for conformity assessment and (d) undertake activities related to legal metrology. The BIS Act empowers the Central Government in consultation with the BIS to order compulsory use of standard mark for any goods or process if it finds it expedient to do so in public interest. The BIS Act also provides the penalties in case there is a contravention of the provisions of the BIS Act.

Information Technology Act, 2000

The Information Technology Act, 2000 (the “IT Act”) creates a liability on a body corporate which is negligent in implementing and maintaining reasonable security practices and procedures, and thereby causing wrongful loss or wrongful gain to any person, while possessing, dealing with, or handling any sensitive personal data or information in a computer resource owned, controlled or operated by it but affords protection to intermediaries with respect to third party information liability. The IT Act also provides for civil and criminal liability including compensation, fines, and imprisonment for various computer related offences. These include offences relating to unauthorised disclosure of confidential information and committing of fraudulent acts through computers, tampering with source code, unauthorised access, publication or transmission of obscene material etc. The IT Act empowers the Government of India to formulate rules with respect to reasonable security practices and procedures and sensitive personal data. Additionally, the IT Act empowers the Government of India to direct any of its agencies to intercept, monitor or decrypt any information in the interest of sovereignty, integrity, defence and security of India, among other things. In April 2011, the Department of Information Technology under the Ministry of Communications and Information Technology notified the Information Technology (Reasonable Security Practices and Procedures and Sensitive Personal Data or Information) Rules 2011 under Section 43A of the IT Act and the Information Technology (Intermediaries Guidelines) Rules, 2011 under Section 79(2) of the IT Act.

Sale of Goods Act, 1930

The Sale of Goods Act, 1930 (the “*Sale of Goods Act*”) governs contracts relating to the sale of goods. The contracts for sale of goods are subject to the general principles of the law relating to contracts. A contract for sale may be an absolute one or based on certain conditions. The Sale of Goods Act contains provisions in relation to the essential aspects of such contracts, including the transfer of ownership of goods, delivery of goods, rights and duties of the buyer and seller, remedies for breach of contract and the conditions and warranties implied under a contract for the sale of goods.

Consumer Protection Act, 2019

The Consumer Protection Act, 2019 (“Consumer Act”), has repealed Consumer Protection Act, 1986 and provides for the protection of interest of the consumers and the settlement of disputes raised by the consumers. The provisions of the Consumer Protection Act, 2019 have been made effective vide notification no. F. No. J-9/1/2020-CPU dated July 23, 2020 and notification no. F. No. J-9/1/2020-CPU dated July 15, 2020 as issued by the Central Government. The Consumer Act sets out a mechanism for consumers to file complaints against, inter alia, service providers in cases of deficiencies in services, unfair or restrictive trade practices and excessive pricing. A three-tier consumer grievance redressal mechanism has been implemented pursuant to the Consumer Act, at the national, state and district levels. Further, the Consumer Act established a Central Consumer Protection Authority to promote, enforce and protect the rights of consumers. If the allegations specified in a complaint about the services provided are proved, the service provider can be directed to inter alia remove the deficiencies in the services in question, return to the complainant the charges paid by the complainant and pay compensation, including punitive damages, for any loss or injury suffered by the consumer. Non-compliance with the orders of the authorities may attract criminal penalties in the form of fines and/or imprisonment.

Factories Act, 1948 (the “Factories Act”)

The Factories Act defines a “factory” to cover any premises which employs 10 or more workers and in which manufacturing process is carried on with the aid of power and any premises where there are at least 20 workers, even while there may not be an electrically aided manufacturing process being carried on. State Governments have the authority to formulate rules in respect of matters such as prior submission of plans and their approval for the establishment of factories and registration and licensing of factories. The Factories Act provides that the person who has ultimate control over the affairs of the factory and in the case of a company, any one of the directors, must ensure the health, safety and welfare of all workers. It provides such safeguards of workers in the factories as well as offers protection to the exploited workers and improve their working conditions.

Shops and Establishments Acts of various States

Under the provisions of local shops and establishments legislations applicable in the states in which such establishments are set up, establishments are required to be registered. Such legislations regulate the working and employment conditions of the workers employed in shops and establishments including commercial establishments and provide for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, maintenance of shops and establishments and other rights and obligations of the employers and employees. Our offices, stores, warehouses and distribution centres have to be registered under the shops and establishments legislations of the states where they are located.

B. TAX RELATED LAWS

The tax related laws that are applicable to our Company include the Customs Act, 1962, the Income Tax Act, 1961, the Income Tax Rules, 1962 and GST which includes the Central Goods and Services Tax Act, 2017, various State Goods and Services Tax legislations, and the Integrated Goods and Services Tax Act, 2017.

C. ENVIRONMENT RELATED LAWS

Air (Prevention and Control of Pollution) Act, 1981

The Air (Prevention and Control of Pollution) Act, 1981 (“Air Act”) provides for the prevention, control and abatement of air pollution. Pursuant to the provisions of the Air Act, any person establishing or operating any industrial plant within an air pollution control area, must obtain the consent of the relevant state pollution control board prior to establishing or operating such industrial plant. The state pollution control board must decide on the application within a period of 4 months of receipt of such application. The consent may contain certain conditions relating to specifications of pollution control equipment to be installed at the facilities. No person operating any industrial plant in any air pollution control area is permitted to discharge the emission of any air pollutant in excess of the standards laid down by the state pollution control board.

E-Waste Management Rules, 2016 (the “E-Waste Rules”)

The E-Waste Rules apply to every manufacturer, producer, consumer, bulk consumer, collection centres, dealers, e-retailer, refurbisher, dismantler and recycler involved in manufacture, sale, transfer, purchase, collection, storage and processing of ewaste or electrical and electronic equipment as classified under the E-Waste Rules, including their components, consumables, parts and spares which make the product operations. The E-Waste Rules mandate that a manufacturer must obtain an authorisation from the state pollution control board and also submit annual returns to the

same Authority. Producers of such e-waste also have extensive responsibilities and obligations and may come under the scrutiny of either the central pollution control board or the state pollution control board. The manufacturer, producer, importer, transporter, refurbisher, dismantler and recycler shall be liable for all damages caused to the environment or a third party due to improper handling and management of the e-waste and may have to pay financial penalties as levied for any violation of the provisions under these rules by the state pollution control board with the prior approval of the central pollution control board.

D. INTELLECTUAL PROPERTY LAWS

Trade Marks Act, 1999

Indian trademark law permits the registration of trademarks for goods and services. The Trade Marks Act, 1999 (“**Trade Mark Act**”) governs the statutory protection of trademarks and for the prevention of the use of fraudulent marks in India. An application for trademark registration may be made by individual or joint applicants and can be made on the basis of either use or intention to use a trademark in the future. Once granted, trademark registration is valid for ten years, unless cancelled, and may be renewed indefinitely upon payment of renewal fees every ten years. If not renewed after ten years, the mark lapses and the registration has to be restored. The Trade Mark (Amendment) Act, 2010 has been enacted by the Government to amend the Trade Mark Act to enable Indian nationals as well as foreign nationals to secure simultaneous protection of trademark in other countries. It also seeks to simplify the law relating to transfer of ownership of trademarks by assignment or transmission and to align the law with international practice.

In March 2017, the Trade Marks Rules, 2017 (“**Trade Mark Rules**”) were notified, in supersession of the Trade Marks Rules, 2002. The Trade Marks Rules brought with them some changes in the application process, in terms of an increase in application fees and common formats for multiple kinds of applications. However, the e-filing process has been incentivized by providing lower application fees.

The Copyright Act, 1957 (“Copyright Act”)

The Copyright Act serves to create property rights for certain kinds of intellectual property, generally called works of authorship. The intellectual property protected under the Copyright Act includes copyrights subsisting in original literary, dramatic, musical or artistic works, cinematograph films, and sound recordings, including computer programmes, tables and compilations including computer databases. While copyright registration is not a prerequisite for acquiring or enforcing a copyright in an otherwise copyrightable work, registration under the Copyright Act acts as prima facie evidence of the particulars entered therein and may help expedite infringement proceedings and reduce delay caused due to evidentiary considerations. Upon registration, the copyright protection for a work exists for a period of 60 years following the demise of the author. Reproduction of a copyrighted work for sale or hire and issuing of copies to the public, among others, without consent of the owner of the copyright are acts which expressly amount to an infringement of copyright.

E. FOREIGN TRADE RELATED LAWS

Foreign Trade (Development and Regulation) Act, 1992, as amended (“Foreign Trade Act”).

The Foreign Trade Act empowered the Central Government to make provisions for the development and regulation of foreign trade by way of facilitating imports into as well as augmenting exports from the country and in all other matters related to foreign trade. The government has also been given a wide power to prohibit, restrict and regulate the exports and imports in general as well as specified cases of foreign trade. It is authorised to periodically formulate the Indian Foreign Trade Policy, 2015-20 (“**Foreign Trade Policy**”) and amend it thereafter whenever it deems fit. All exports and imports are required to be in compliance with this policy. The Foreign Trade Policy provides for certain schemes for the promotion of export of finished goods and import of inputs. The Foreign Trade Act, read with the Foreign Trade Policy, also provides that no person or company can make exports or imports without having obtained an importer exporter code (IEC) number unless such person or company is specifically exempted. The IEC shall be valid until it is cancelled by the issuing authority.

The Foreign Exchange Management Act, 1999 (“FEMA”) and regulations framed thereunder

Foreign investment in India is governed primarily by the provisions of the FEMA, and the rules, regulations and notifications thereunder, as issued by the RBI from time to time and the FEMA Rules and the Consolidated FDI Policy. In terms of the Consolidated FDI Policy, foreign investment is permitted (except in the prohibited sectors) in

Indian companies either through the automatic route or the Government route, depending upon the sector in which the foreign investment is sought to be made. In terms of the Consolidated FDI Policy, the work of granting government approval for foreign investment under the Consolidated FDI Policy and FEMA has now been entrusted to the concerned administrative ministries/departments.

The FEMA Rules were enacted on October 17, 2019 in supersession of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017, except for things done or omitted to be done before such supersession. The total holding by any individual NRI, on a repatriation basis, shall not exceed five percent of the total paid-up equity capital on a fully diluted basis or shall not exceed five percent of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrant. Provided that the aggregate ceiling of 10 percent may be raised to 24 percent if a special resolution to that effect is passed by the general body of the Indian company.

The total holding by each FPI or an investor group, shall be less than 10 percent of the total paid-up equity capital on a fully diluted basis or less than 10 percent of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all FPIs put together, including any other direct and indirect foreign investments in the Indian company permitted under these rules, shall not exceed 24 per cent of paid-up equity capital on a fully diluted basis or paid-up value of each series of debentures or preference shares or share warrants. The said limit of 10 percent and 24 percent shall be called the individual and aggregate limit, respectively.

With effect from April 1, 2020, the aggregate limit shall be the sectoral caps applicable to Indian companies as laid out in paragraph 3(b) of Schedule I of FEMA Rules, with respect to paid-up equity capital on fully diluted basis or such same sectoral cap percentage of paid-up value of each series of debentures or preference shares or share warrants. Further, in accordance with Press Note No. 4 (2020 Series), dated October 15, 2020 issued by the DPIIT, all investments by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country, will require prior approval of the Government of India, as prescribed in the Consolidated FDI Policy.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only by persons registered as Category I FPIs; (ii) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs; (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms as specified by SEBI; and (iv) such other conditions as may be specified by SEBI from time to time.

F. EMPLOYMENT RELATED LAWS

In order to rationalize and reform labour laws in India, the Government of India has notified four labour codes which are yet to come into force as on the date of this Draft Red Herring Prospectus, namely, (i) the Code on Wages, 2019 which will repeal the Payment of Bonus Act, 1965, Minimum Wages Act, 1948, Equal Remuneration Act, 1976 and the Payment of Wages Act, 1936, (ii) the Industrial Relations Code, 2020 which will repeal the Trade Unions Act, 1926, Industrial Employment (Standing Orders) Act, 1946 and Industrial Disputes Act, 1947, (iii) the Code on Social Security, 2020 which will repeal certain enactments including the Employee's Compensation Act, 1923, the Employees' State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, Maternity Benefit Act, 1961, Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959 and the Payment of Gratuity Act, 1972 and (iv) the Occupational Safety, Health and Working Conditions Code, 2020 which will repeal certain enactments including the Factories Act, 1948, Motor Transport Workers Act, 1961 and the Contract Labour (Regulation and Abolition) Act, 1970.

Certain portions of the Code on Wages, 2019 and Code on Social Security, 2020, have come into force upon notification by the Ministry of Labour and Employment. The remaining provisions of these codes shall become effective as and when notified by the Government of India. A brief summary of the aforementioned laws have been provided below:

The Code on Wages, 2019

The Code on Wages, 2019 received the assent of the President of India on August 8, 2019 and proposes to subsume four existing laws namely, the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965 and the Equal Remuneration Act, 1976. The Central Government has notified certain provisions of this code mainly in relation to the constitution of the advisory board.

The Occupational Safety, Health and Working Conditions Code, 2020

The Occupational Safety, Health and Working Conditions Code, 2020 received the assent of the President of India on September 28, 2020 and proposes to subsume certain existing legislations, including the Factories Act, 1948, the Contract Labour (Regulation and Abolition) Act, 1970, the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979 and the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996. The provisions of this code will be brought into force on a date to be notified by the Central Government.

The Industrial Relations Code, 2020

The Industrial Relations Code, 2020 received the assent of the President of India on September 28, 2020 and it proposes to subsume three existing legislations, namely, the Industrial Disputes Act, 1947, the Trade Unions Act, 1926 and the Industrial Employment (Standing Orders) Act, 1946. The provisions of this code will be brought into force on a date to be notified by the Central Government.

The Code on Social Security, 2020

The Code on Social Security, 2020 received the assent of the President of India on September 28, 2020 and it proposes to subsume certain existing legislations including the Employee's Compensation Act, 1923, the Employees' State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act, 1961, the Payment of Gratuity Act, 1972, the Building and Other Construction Workers' Welfare Cess Act, 1996 and the Unorganised Workers' Social Security Act, 2008. The Central Government has notified certain provisions of this code mainly in relation to the constitution of the advisory board.

Contract Labour (Regulation and Abolition) Act, 1970, as amended (the "CLRA Act")

The CLRA Act requires the principal employer of an establishment in which twenty or more workmen are employed or were employed on any day of the preceding twelve months as contract labour, to make an application to the concerned officer for registration of the establishment. In the absence of registration, contract labour cannot be employed in the establishment. Likewise, every contractor who employs or who employed on any day of the preceding twelve months twenty or more workmen, is required to obtain a license and not to undertake or execute any work through contract labour except under and in accordance with the license issued. The CLRA Act imposes certain obligations on the contractor in relation to establishment of canteens, rest rooms, drinking water, washing facilities, first aid, other facilities and payment of wages. However, in the event the contractor fails to provide these amenities, the principal employer is under an obligation to provide these facilities within a prescribed time period. Penalties, including both fines and imprisonment, may be levied for contravention of the provisions of the CLRA Act.

Employees State Insurance Act, 1948, as amended (the "ESIC Act")

The ESI Act, provides for certain benefits to employees in case of sickness, maternity and employment injury. All employees in establishments covered by the ESI Act are required to be insured, with an obligation imposed on the employer to make certain contributions in relation thereto. In addition, the employer is also required to register itself under the ESI Act and maintain prescribed records and registers.

Employees (Provident Fund and Miscellaneous Provisions) Act, 1952, as amended (the "EPF Act")

The EPF Act applies to factories employing over 20 employees and such other establishments and industrial undertakings as notified by the GoI from time to time. It requires all such establishments to be registered with the state provident fund commissioner and requires such employers and their employees to contribute in equal proportion to the employees' provident fund the prescribed percentage of basic wages and dearness and other allowances payable to employees. The EPF Act also requires the employer to maintain registers and submit a monthly return to the State provident fund commissioner.

The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("SHWW Act") provides for the protection of women at workplace and prevention of sexual harassment at workplace. The SHWW Act also provides for a redressal mechanism to manage complaints in this regard. Sexual harassment includes one or more of the following acts or behaviour namely, physical contact and advances or a demand or request for sexual favours or making sexually coloured remarks, showing pornography or any other unwelcome physical, verbal or non-

verbal conduct of sexual nature. The SHWW Act makes it mandatory for every employer of a workplace to constitute an Internal Complaints Committee, which shall always be presided upon by a woman.

The Equal Remuneration Act, 1976

The Equal Remuneration Act, 1976, as amended (“ER Act”) provides for the payment of equal remuneration to men and women workers for same or similar nature of work and prevention of discrimination, on the ground of sex, against women in the matter of employment and for matters connected therewith or incidental thereto. Under the ER Act, no discrimination is permissible in recruitment and service conditions, except where employment of women is prohibited or restricted by law. It also provides that every employer should maintain such registers and other documents in relation to the workers employed by him/ her in the prescribed manner.

G. GENERAL CORPORATE AND OTHER ALLIED LAWS

Apart from the above list of laws which is inclusive in nature and not exhaustive – general laws like the Indian Contract Act, 1872, Specific Relief Act, 1963, Negotiable Instruments Act, 1881, Sale of Goods Act, 1930, Consumer Protection Act, 1986, Anti-Trust law such as Competition Act, 2002 and corporate Acts namely Companies Act, 2013 are also applicable to the Company.

HISTORY AND CERTAIN CORPORATE MATTERS

Our Company 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.

Change in registered office of our Company

The Registered Office of our Company at the time of incorporation was situated at Flat Number 402, Navratna Galaxy, 95 Gumasta Nagar, Indore - 452 009, Madhya Pradesh, India.

The details of changes made to our Registered Office post incorporation of our Company are provided below:

| Effective date of change | Details of change | Reason(s) for change |
|---------------------------------|--|-----------------------------|
| July 26, 2024 | The registered office of our Company was changed from Flat Number 402, Navratna Galaxy, 95 Gumasta Nagar, Indore - 452 009, Madhya Pradesh, India to Survey No. 9/2/1/2 Gavla, Tehsil Pithampur, Dhar -454 775, Madhya Pradesh, India. | For operational convenience |

Main Objects of our Company

The main objects of our Company are as follows:

- To establish, start, operate, propagate, manufacture, produce, grow, cultivate, process, collaborate, import, export, sell, purchase or otherwise deal in and marketing or multi marketing of fresh and dehydrated vegetables, whether roots or leafy, vegetation and its value addition, health and nutrition products, food or food supplements, whether medicinal or aromatic, through plants or otherwise or through usual or unusual herbs, plantation or tuber crops, fruits, mushroom, nuts, fresh or canned, dehydrated or frozen fruits, vegetables or any genetic combination thereof, fast foods, marine and sea foods, energy foods, bee keeping honey and its processing, sericulture and its processing and to operate farming under satellite contractual buy back schemes including cultivation & processing & medicinal and aromatic plants, usual & unusual rare herbs, recycling of organic waste, fermentation and membrane process technology.*
- To carry on the business as traders, exporters, agents, representatives, wholesale, retail dealers, assemblers, manufacturers, stockiest, importers, exporters or distributors, act as franchisee, showroom, gallery of computers, peripherals, computer components, electronic equipments and all component parts, spare parts accessories and equipments and apparatus for use in connection therewith, and to plan, design, develop, improve market, distribute, sell, license, lease, install, alter, import, export or otherwise.*

The main objects as contained in the MoA enable our Company to carry on the business presently being carried out.

Amendments to the Memorandum of Association

The following amendments have been made to the Memorandum of Association of our Company in the last ten (10) years:

| Date of shareholder's resolution | Nature of amendments |
|---|--|
| October 31, 2014 | <i>Clause V of the MoA was amended to increase the authorised share of our Company from ₹5,00,000 divided into 50,000 Equity Shares of face value of ₹ 10 each to ₹ 12,50,000 divided into 1,25,000 Equity Shares of face value of ₹ 10 each.</i> |
| April 23, 2024 | <i>Clause V of the MoA was amended to increase the authorised share of our Company from ₹ 12,50,000 divided into 1,25,000 Equity Shares of face value of ₹ 10 each to ₹ 10,12,50,000 divided into 1,01,25,000 Equity Shares of face value of ₹ 10 each.</i> |
| May 27, 2024 | <i>Our Company was converted into a public limited company and consequently the name of our Company was changed to 'Sawaliya Food Products Limited'. Accordingly, Clause I of the MoA was amended to reflect the change in name of our Company, post its conversion.</i> |

| Date of shareholder's resolution | Nature of amendments |
|----------------------------------|--|
| August 23, 2024 | Clause V of the MoA was amended to increase the authorised share of our Company from ₹ 10,12,50,000 divided into 1,01,25,000 Equity Shares of face value of ₹ 10 each to ₹ 12,12,50,000 divided into 1,21,25,000 Equity Shares of face value of ₹ 10 each. |

Corporate profile of our Company

For details regarding the description of our Company's activities, services, market, growth, technology, managerial competence, standing with reference to prominent competitors, launch of key services, entry in new geographies or exit from existing markets, major distributors and customers, segment, marketing and competition, please refer to the chapters titled "Our Business", "Our Management" and "Management's Discussion and Analysis of Financial Position and Results of Operations" on pages 130, 164 and 218 respectively, of this Draft Red Herring Prospectus.

Major Events and Milestones

The table below sets forth some of the key events, milestones in our history since its incorporation:

| Year | Events |
|------|--|
| 2015 | Our Company established a factory with a semi-automatic line and a small dryer. |
| | Our Company expanded our product portfolio by manufacturing carrot flakes (A Grade) |
| 2016 | Our Company expanded our product portfolio by manufacturing cabbage flakes (A Grade) |
| 2017 | Our Company expanded our product portfolio by manufacturing bean flakes (A Grade) |
| 2019 | Our Company automated the existing manufacturing unit by replacing the semi-automatic line with an automatic process line. We also installed an in-house meyer color sorter machine for improving quality of our products. |
| | Our Company received approval from the United States Food and Drug Administration and dispatched its first export shipment. |
| 2022 | Our Company expanded the existing manufacturing unit by installing an additional vegetable processing line to increase production. |
| 2023 | Our Company established an in-house cold storage and set up a new state-of-the-art facility by utilizing sustainable energy. |
| 2024 | Our Company was converted from a private limited company to a public limited company and the name of our Company was changed to 'Sawaliya Food Products Limited'. |

Awards and Accreditations

The table below sets forth some of the key awards received by our Company in its history since its incorporation:

| Year | Events |
|------|---|
| 2021 | Our Company received certificate of appreciation for outstanding contribution in supporting ITC Foods Division in Foods Division Procurement Conclave 2021. |

Time and Cost Overrun

Our Company has not experienced any significant time and cost overrun in setting up projects.

Delays or Defaults or Rescheduling of Borrowings with Financial Institutions/ Banks

Other than as disclosed below, there have been no defaults or rescheduling/ restructuring of borrowings with financial institutions/ banks in the Company.

Our Company has experienced delays in repayment of loans, details of which have been provided below:

| Banks | Details of Loans availed | Financial Year in which delay occurred | Amount of delay (₹ in lakhs) | Period of Delay (in days) |
|-------------------|--------------------------|--|------------------------------|---------------------------|
| HDFC Bank Limited | Term Loan | April-2023 | 3.06 | 4 |
| | | May-2023 | 10.04 | 3 |
| | | June-2023 | 8.76 | 2 |
| | | July-2023 | 8.27 | 14 |
| | | August-2023 | 8.33 | 3 |
| | | September-2023 | 1.29 | 8 |
| | | October-2023 | 8.44 | 6 |

| Banks | Details of Loans availed | Financial Year in which delay occurred | Amount of delay (₹ in lakhs) | Period of Delay (in days) |
|-------|--------------------------|--|---------------------------------|---------------------------|
| | | November-2023 | 8.50 | 7 |
| | | December-2023 | 8.56 | 16 |
| | | January-2024 | 10.15 | 6 |
| | | February-2024 | 9.31 | 2 |
| | | March-2024 | 9.37 | 1 |
| | | April-2024 | 9.44 | 6 |
| | | May-2024 | 9.51 | 2 |

Details regarding material acquisition or disinvestments of business / undertakings, mergers, amalgamation

Our Company has not made any business acquisition, merger and amalgamation or disinvestment of business in the last ten years.

Revaluation of assets in the last ten years

Our Company has neither revalued its assets nor has issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves in the last ten years.

Holding Company

As on the date of this Draft Red Herring Prospectus, our Company does not have a holding company.

Subsidiaries of our Company

As on the date of this Draft Red Herring Prospectus, our Company does not have any subsidiary.

Associate or Joint ventures of our Company

As on the date of this Draft Red Herring Prospectus, our Company does not have any associate or joint ventures.

Strategic and Financial Partners

As on date of this Draft Red Herring Prospectus our Company does not have any strategic and financial partners.

Shareholders and Other Agreements

There are no shareholders and other material agreements, apart from those entered into in the ordinary course of business carried on or intended to be carried on by us.

Agreements with key managerial personnel or a Director or Promoters or any other employee of the Company

There are no agreements entered into except in the ordinary course of business by a Key Managerial Personnel or Director or Promoters or any other employee of our Company, either by themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of our Company.

Guarantees given by Promoters offering its shares in the Offer for Sale

Except as stated in “*Financial Indebtedness*” on page 229 of this Draft Red Herring Prospectus, our Promoters, who are also the Selling Shareholders in this Offer, have not given any guarantees on behalf of our Company.

Material Agreements

The Company confirms that, there are no other agreements and clauses / covenants which are material and which need to be disclosed and that there are no other clauses / covenants which are adverse / pre-judicial to the interest of the public shareholders.

The Company further confirms that as per the Articles of Association (‘**AoA**’) of the Company as amended from time to

time, there are no articles/provisions in the AoA enabling a person to exercise or be entitled to any special rights of any nature.

Other Agreements

There are no other agreements/ arrangements and clauses / covenants which are material and which needs to be disclosed or non-disclosure of which may have bearing on the investment decision, other than the ones which have already disclosed in this Draft Red Herring Prospectus.

OUR MANAGEMENT

Our Board of Directors

In accordance with our Articles of Association, unless otherwise determined in a general meeting of the Company and subject to the provisions of the Companies Act, 2013 and other applicable rules, the number of Directors of the Company shall be as per the applicable provisions of the Companies Act, 2013. As on date of this Draft Red Herring Prospectus, we have five (5) Directors on our Board, which includes one (1) Managing Director, one (1) Whole-time Director, one (1) Non-Executive Director and two (2) Independent Directors. Our Board comprises of two (2) women directors.

Set forth below, are details regarding our Board as on the date of this Draft Red Herring Prospectus:

| Name, DIN, Date of Birth, Designation, Address, Occupation, Term and Nationality | Age (years) | Other Directorships |
|--|-------------|---|
| <p>Raghav Somani</p> <p>DIN: 06770088</p> <p>Date of Birth: June 12, 1991</p> <p>Designation: Chairman and Managing Director</p> <p>Address: 402, Navratna Galaxy, 95 Gumasta Nagar, Indore – 452 009, Madhya Pradesh, India.</p> <p>Occupation: Business</p> <p>Term: A period of five (05) years with effect from July 22, 2024 to July 21, 2029</p> <p>Period of Directorship: Director since Incorporation</p> <p>Nationality: Indian</p> | 33 | Nil |
| <p>Priya Somani</p> <p>DIN: 10630638</p> <p>Date of Birth: March 20, 1991</p> <p>Designation: Whole-time Director</p> <p>Address: 402, Navratna Galaxy, 95 Gumasta Nagar, Indore – 452 009, Madhya Pradesh, India.</p> <p>Occupation: Business</p> <p>Term: A period of five (05) years with effect from July 22, 2024 to July 21, 2029</p> <p>Period of Directorship: Director since July 22, 2024</p> <p>Nationality: Indian</p> | 33 | Nil |
| <p>Kartavya Kumar Chitlangya</p> <p>DIN: 09281531</p> <p>Date of Birth: November 3, 1980</p> <p>Designation: Non-Executive Director</p> <p>Address: 08, Vasant Vihar Colony, Behind Lokmanya Nagar Shopping Complex, Sudama Nagar, Indore – 452 009, Madhya Pradesh, India.</p> | 43 | <p><i>Companies</i></p> <p>Taishtyeebandhan Namkeen Private Limited</p> <p><i>LLP's</i></p> <p>Runicha Realty LLP</p> |

| Name, DIN, Date of Birth, Designation, Address, Occupation, Term and Nationality | Age (years) | Other Directorships |
|---|-------------|---|
| <p>Occupation: Business</p> <p>Term: Liable to retire by rotation</p> <p>Period of Directorship: Director since July 22, 2024</p> <p>Nationality: Indian</p> | | |
| <p>Ravikant Gupta</p> <p>DIN: 02041825</p> <p>Date of Birth: May 27, 1974</p> <p>Designation: Independent Director</p> <p>Address: 49-A, Prime City, Dhannalal Dharmshala, Sukhliya, Indore – 452 010, Madhya Pradesh, India.</p> <p>Occupation: Business</p> <p>Term: A period of five (05) years commencing from July 22, 2024 to July 21, 2029</p> <p>Period of Directorship: Director since July 22, 2024</p> <p>Nationality: Indian</p> | 50 | <p style="text-align: center;"><i>Companies</i></p> <p>1. Jhabua Finance private Limited; and 2. Nilkanth Dealers Private Limited</p> <p style="text-align: center;"><i>LLP's</i></p> <p style="text-align: center;"><i>Nil</i></p> |
| <p>Shweta Bhamare</p> <p>DIN: 10499418</p> <p>Date of Birth: September 7, 1992</p> <p>Designation: Independent Director</p> <p>Address: 179 Padmalay Colony, Near Chhota Bangarda, Indore – 452 006, Madhya Pradesh, India.</p> <p>Occupation: Business</p> <p>Term: A period of five (05) years commencing from July 22, 2024 to July 21, 2029</p> <p>Period of Directorship: Director since July 22, 2024</p> <p>Nationality: Indian</p> | 32 | <p style="text-align: center;"><i>Companies</i></p> <p style="text-align: center;">Agro Phos (India) Limited</p> <p style="text-align: center;"><i>LLP's</i></p> <p style="text-align: center;"><i>Nil</i></p> |

Brief Biographies of our Directors

Raghav Somani, aged 33 years, is one of the Promoters, Chairman and Managing Director of our Company. He holds a bachelor's degree in engineering from Visvesvaraya Technological University, Belgaum. He holds an experience of almost a decade in business development, production and processing of dried vegetables and marketing management. Presently, he heads the division of marketing, production and business development of our Company and has been associated with our Company since incorporation.

Priya Somani, aged 33 years, is one of the Promoters and Whole-time Director of our Company. She holds a bachelor's degree in commerce from University of Rajasthan. She holds a master's degree in business administration from Jayoti Vidyapeeth Women's University. Presently, she heads the food safety and quality division and looks after the overall hygiene of the production facility of our Company. She holds an experience of four years in food safety and quality

management. She has been associated with our Company since May 25, 2020 in the capacity of a quality executive and was promoted to the position of Whole-time Director with effect from July 22, 2024.

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 and M/s Kartavya Chitlangya, in the capacity of a sole proprietor, engaged in financial and insurance consultancy business. 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; with Vipul MedCorp TPA Private Limited in the capacity of assistant manager corporate; with Newgen Insurance Broking Private Limited in the capacity of senior manager – business development; 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, in the capacity of area sales manager – Indore. 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 Simran Feeds Private Limited and Simran Nutrifooods Private Limited, in the capacity of a company secretary. She has an experience of more than three years in the secretarial and compliance industry and has been associated with our Company since July 22, 2024.

As on the date of the Draft Red Herring Prospectus

- A. None of the above-mentioned Directors are on the RBI List of wilful defaulters or Fraudulent Borrowers.
- B. Neither Promoters nor persons forming part of our Promoter Group, our directors or persons in control of our Company or our Company are debarred from accessing the capital market by SEBI.
- C. None of the Promoters, Directors or persons in control of our Company, has been or is involved as a promoter, director or person in control of any other company, which is debarred from accessing the capital market under any order or directions made by SEBI or any other regulatory authority.
- D. None of our Directors are/were director of any company whose shares were delisted from any stock exchange(s) during his/her tenure.
- E. None of Promoters or Directors of our Company are a fugitive economic offender.
- F. None of our Directors are/were director of any company whose shares were suspended from trading by stock exchange(s) or under any order or directions issued by the stock exchange(s)/ SEBI/ other regulatory authority in the last five years.
- G. In respect of the track record of the directors, there have been no criminal cases filed or investigations being undertaken with regard to alleged commission of any offence by any of our directors and none of our directors have been charge-sheeted with serious crimes like murder, rape, forgery, economic offence.

Relationship between our Directors

Except for Raghav Somani, who is the spouse of Priya Somani, none of our Directors are related to each other.

Arrangements or Understanding with Major Shareholders

None of our Key Managerial Personnel, Senior Management or Directors have been appointed pursuant to any arrangement or understanding with our major shareholders, customers, suppliers or others pursuant to which any of the directors was selected as a director or member of senior management.

We confirm that there are no conflict of interest between the suppliers of raw materials and third party service providers (crucial for operations of our Company) and our Company, Key Managerial Personnel and Directors.

Payment or Benefit to officers of our Company

Except as stated otherwise in this Draft Red Herring Prospectus and any statutory payments made by our Company, no non-salary amount or benefit has been paid, in two preceding years, or given or is intended to be paid or given to any of our Company's officers except remuneration of services rendered as Directors, officers or employees of our Company.

Service Contracts

Other than the statutory benefits that the KMPs are entitled to, upon their retirement, Directors and the Key Managerial Personnel of our Company have not entered into any service contracts pursuant to which they are entitled to any benefits upon termination of employment or retirement.

Borrowing Powers of our Board

Our Articles of Association, subject to applicable law, authorize our Board to raise or borrow money or secure the payment of any sum of money for the purposes of our Company. Our Company has, pursuant to an -special resolution passed at the Annual General Meeting held on July 26, 2024, resolved that in accordance with the provisions of the Companies Act, 2013, our Board is authorised to borrow, from time to time, such sum or sums of moneys as the Board which together with the moneys already borrowed by our Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business), may exceed at any time the aggregate of the paid-up capital of our Company, its free reserves and securities premium of our Company, that is to say, reserves not set apart for any specific purpose, provided that the total amount of money/moneys borrowed by the Board of Directors and outstanding at one time shall not exceed ₹5,000 lakhs.

Terms of appointment and remuneration of our Managing Director and Whole time Director

Raghav Somani

Pursuant to a resolution passed by the Board of Directors at the meeting held on May 25, 2024 and approved by the Shareholders of our Company at an AGM held on July 26, 2024, Raghav Somani was designated as the Chairman and Managing Director of our Company for a period of five (05) years with effect from July 22, 2024 to July 21, 2029 along with the terms of remuneration, in accordance with Sections 196, 197, 203 and Schedule V and other relevant provisions of the Companies Act, 2013 read with the rules prescribed thereunder. The terms and conditions approved by the Board of Directors and the Shareholders have been summarised below:

| | |
|--|---|
| Basic Salary | ₹ 2,00,000/- per month |
| Commission/ performance linked incentive: | Not Exceeding 1% of the net profit of the Company in any financial year as the Board may determine from time to time but shall not exceed the amount equivalent to the salary for the relevant period; it may be paid pro-rata on a monthly basis at the absolute discretion of the Board. |
| Perquisites: | Perquisites in accordance with the rules of the Company and any additional perquisites as may be decided by the Board of Directors of the Company from time to time. |
| Earned Leave: | As per rules of the Company. |
| Medical Reimbursement: | Reimbursement of expenses incurred for self and family as per the policy of the Company. |
| Leave Travel Concession: | Leave Travel Concession for self and family, once in a year incurred in accordance with the rules of the Company. |
| Explanation: | Family means the spouse, the dependent children and dependent parents of the Whole time Director. |
| Minimum Remuneration: | Where in any financial year during the currency of tenure of the Managing Director, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary and perquisites not exceeding the limits as specified above. The Board of Directors shall have liberty to alter and vary the aforesaid terms and conditions relating to remuneration in line with such amendments as may be made from time to time to the Companies Act, 2013. |

Priya Somani

Pursuant to a resolution passed by the Board of Directors at the meeting held on July 22, 2024 and approved by the Shareholders of our Company at an AGM held on July 26, 2024, Priya Somani was designated as the Whole-time Director of our Company for a period of five (05) years with effect from July 22, 2024 to July 21, 2029 along with the terms of remuneration, in accordance with Sections 196, 197, 203 and Schedule V and other relevant provisions of the Companies Act, 2013 read with the rules prescribed thereunder. The terms and conditions approved by the Board of Directors and the Shareholders have been summarised below:

| | |
|--|--|
| Basic Salary | ₹ 1,00,000/- per month |
| Commission/ performance linked incentive: | Not Exceeding 1% of the net profit of the Company in any financial year as the Board may determine from time to time but shall not exceed the amount equivalent to the salary for the relevant period; it may be paid pro-rata on a monthly basis at the absolute discretion of the Board. |
| Perquisites: | Perquisites in accordance with the rules of the Company and any additional perquisites as may be decided by the Board of Directors of the Company from time to time. |
| Earned Leave: | As per rules of the Company. |

| | |
|---------------------------------|---|
| Medical Reimbursement: | Reimbursement of expenses incurred for self and family as per the policy of the Company. |
| Leave Travel Concession: | Leave Travel Concession for self and family, once in a year incurred in accordance with the rules of the Company. |
| Explanation: | Family means the spouse, the dependent children and dependent parents of the Whole time Director. |
| Minimum Remuneration: | Where in any financial year during the currency of tenure of the Managing Director, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary and perquisites not exceeding the limits as specified above. The Board of Directors shall have liberty to alter and vary the aforesaid terms and conditions relating to remuneration in line with such amendments as may be made from time to time to the Companies Act, 2013. |

Remuneration details of our Directors

(i) Remuneration of our Executive Directors

The aggregate value of the remuneration paid to the Executive Directors in Fiscal 2024 is as follows:

| S. No. | Name of the Director | Remuneration (₹ in lacs) |
|--------|----------------------|--------------------------|
| 1. | Raghav Somani | 12.00 |
| 2. | Priya Somani* | 6.00 |
| 3. | Madhav Somani^ | 12.00 |

*Priya Somani has received remuneration in the capacity of quality executive, until May 24, 2024. She was thereafter appointed as the Executive Director of our Company with effect from May 25, 2024, however, she resigned from the said position on July 20, 2024. She has now been appointed as the Executive (Additional) Director of our Company with effect from July 22, 2024 and her appointment has been regularised by the Shareholders in the AGM held on July 26, 2024.

^Resigned from the position of Executive Director of our Company with effect from July 22, 2024

(ii) Sitting fee details of our Independent Directors and Non-Executive Directors during the Fiscal 2024:

| S. No. | Name of the Director | Remuneration |
|--------|---------------------------|--------------|
| 1. | Ravikant Gupta | Nil |
| 2. | Shweta Bhamare | Nil |
| 3. | Kartavya Kumar Chitlangya | Nil |

*Ravikant Gupta was appointed as Non-Executive Director of our Company with effect from July 22, 2024. Further, Shweta Bhamare and Kartavya Kumar Chitlangya were appointed as the Independent Directors of our Company with effect from July 22, 2024, and therefore have not received any sitting fee during the Fiscal 2024.

Our Board of Directors in their meeting held on July 22, 2024 have fixed ₹ 5,000 as sitting fee for Independent Directors, for attending meetings of the Board of Directors and its committees.

Payment or benefit to Directors of our Company

Except as disclosed in this Draft Red Herring Prospectus, no amount or benefit has been paid or given within the two preceding years or is intended to be paid or given to any of the Executive Directors except the normal remuneration for services rendered as a Director of our Company. Additionally, there is no contingent or deferred compensation payable to any of our Directors.

Remuneration paid to our Directors by our Subsidiary

As on the date of this Draft Red Herring Prospectus, our Company does not have a subsidiary.

Loans to Directors

There are no loans that have been availed by the Directors from our Company that are outstanding as on the date of this Draft Red Herring Prospectus.

Shareholding of Directors in our Company

Except as stated below, none of our Directors holds any Equity Shares of our Company as on the date of filing of this Draft Red Herring Prospectus:

| Sr. No. | Name of Director | Number of Equity Shares of face value of ₹ 10 each | % of the pre-Offer Equity Share Capital |
|---------|------------------|--|---|
| 1) | Raghav Somani | 30,72,476 | 42.00 |
| 2) | Priya Somani | 30,72,462 | 42.00 |

* Our Articles of Association do not require our Directors to hold any qualification Equity Shares in the Company.

Interest of our Directors

Our Executive Directors may be deemed to be interested to the extent of remuneration paid to them for services rendered as a Director of our Company and reimbursement of expenses, if any, payable to them. For details of remuneration paid to our see “*Terms of appointment and remuneration of our Executive Directors*” above.

Our Directors may also be interested to the extent of Equity Shares, if any, held by them or held by the entities in which they are associated as promoters, directors, partners, proprietors or trustees or kartas or coparceners or held by their relatives or that may be subscribed by or allotted to the companies, firms, ventures, trusts in which they are interested as promoters, directors, partners, proprietors, members or trustees, pursuant to this Offer. Except as disclosed in “*Financial Information*” and “*Our Promoters and Promoter Group*” beginning on page 183 and 177, respectively of this Draft Prospectus, our Directors are not interested in any other company, entity or firm.

Madhav Somani, brother of our Managing Director, Raghav Somani, was associated with our Company, in the capacity of an Executive Director and, our Managing Director may be deemed to be interested to the extent of remuneration paid to him. He is presently employed with our Company in the capacity of an associate – sales and marketing and our Managing Director may be deemed to be interested to the extent of remuneration paid to Madhav Somani, in the said capacity.

Further, Krishna Kant Somani, the father of our Managing Director, Raghav Somani, was employed with our Company, in the capacity of an associate – purchase and procurement. Additionally, Hansa Somani, the mother of our Managing Director, Raghav Somani was employed with our Company, in the capacity of associate – HRD. Our Managing Director may be deemed to be interested in the remuneration payable to them by our Company. For further details, please refer to the chapter titled “*Restated Financial Information - Related Party Transactions*” on page 183 of this Draft Red Herring Prospectus.

Except as stated in “*Restated Financial Information –Related Party Transactions*” from the chapter titled “*Restated Financial Information*” on page 183 of this Draft Prospectus, our Directors do not have any other interest in the business of our Company.

Interest as to property

Except as mentioned in “*Our Business - Land and Property*” and “*Restated Financial Information – Annexure V- Notes to Restated Financial Information – Note 25 - Statement Of Related Party Transaction*” from the chapter titled “*Restated Financial Information*” on page 149 and 183 of this Draft Red Herring Prospectus our Directors do not have any interest in any property acquired or proposed to be acquired by our Company.

Bonus or Profit Sharing Plan for our Directors

None of our Directors are a party to any bonus or profit sharing plan.

Changes in our Board during the Last Three Years

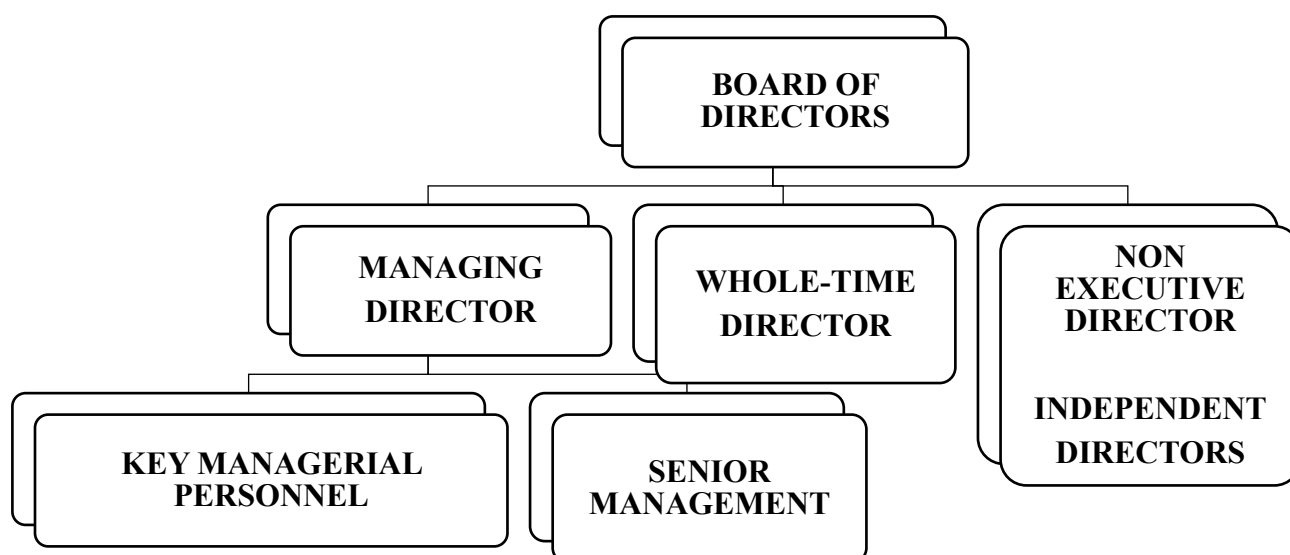
Except as disclosed below, there have been no changes in our Board during the last three years.

| Name of Director | Date of Appointment | Date of Cessation | Reasons for Change/ Appointment |
|---------------------------|----------------------------|--------------------------|---|
| Priya Somani | - | July 20, 2024 | Resignation from the post of Executive Director |
| Raghav Somani | July 22, 2024 | - | Designated as the Chairman and Managing Director |
| Kartavya Kumar Chitlangya | July 22, 2024 | - | Appointed as Additional (Non-Executive) Director* |
| Ravikant Gupta | July 22, 2024 | - | Appointed as Additional (Independent) Director* |
| Shweta Bhamare | July 22, 2024 | - | Appointed as Additional (Independent) Director* |
| Madhav Somani | - | July 22, 2024 | Resignation as Executive Director |
| Priya Somani | July 22, 2024 | - | Appointed as Additional (Executive) Director* |
| Priya Somani | July 22, 2024 | - | Designated as the Whole-time Director |

*The appointment of the Director was regularised by the Shareholders in the AGM held on July 26, 2024.

Management Organization Structure

Set forth is the management organization structure of our Company:



Corporate Governance

As our Company is coming with an issue in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018 as amended from time to time, as on date of this Draft Red Herring Prospectus, the requirement specified in regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of SEBI (LODR) Regulations, 2015 are not applicable to our Company. In additions to the applicable provisions of the Companies Act, 2013 will be applicable to our company immediately up on the listing of Equity Shares on the Stock Exchanges. However, our Company has complied with the corporate governance requirement, particularly in relation to appointment of independent directors including woman director on our Board, constitution of an Audit Committee and Nomination and Remuneration Committee. Our Board functions either on its own or through committees constituted thereof, to oversee specific operational areas.

Committees of our Board

Our Board has constituted following committees in accordance with the requirements of the Companies Act and SEBI Listing Regulations:

- Audit Committee;
- Stakeholders' Relationship Committee; and
- Nomination and Remuneration Committee;

Details of each of these committees are as follows:

AUDIT COMMITTEE

The Audit Committee was constituted *vide* Board resolution dated July 22, 2024 pursuant to Section 177 of the Companies Act, 2013. As on the date of this Draft Prospectus, the Audit Committee comprises of:

| Name of the Director | Status in Committee | Nature of Directorship |
|----------------------|---------------------|------------------------|
| Ravikant Gupta | Chairperson | Independent Director |
| Shweta Bhamare | Member | Independent Director |
| Raghav Somani | Member | Managing Director |

The Audit Committee shall be responsible for, among other things, as may be required by the stock exchanges) from time to time, the following:

A. Powers of Audit Committee

The Audit Committee shall have the following powers:

- To investigate any activity within its terms of reference;
- To seek information from any employee;
- To obtain outside legal or other professional advice;
- To secure attendance of outsiders with relevant expertise, if it considers necessary; and
- Such other powers as may be prescribed under the Companies Act and SEBI Listing Regulations.

B. Role of the Audit Committee

The role of the audit committee shall include the following:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Formulation of a policy on related party transactions, which shall include materiality of related party transactions;
5. Reviewing, at least on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approvals given;
6. Examining and reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the board's report in terms of clause (c) of sub-section 3 of section 134 of Companies Act, 2013;
 - b. Changes, if any, in accounting policies and practices and reasons for the same;
 - c. Major accounting entries involving estimates based on the exercise of judgment by management;
 - d. Significant adjustments made in the financial statements arising out of audit findings;
 - e. Compliance with listing and other legal requirements relating to financial statements;
 - f. Disclosure of any related party transactions; and
 - g. Modified opinion(s) in the draft audit report.
7. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
8. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
9. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
10. Approval of any subsequent modification of transactions of the company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company, subject to the conditions as may be prescribed;
Explanation: The term "related party transactions" shall have the same meaning as provided in Clause 2(zc) of the SEBI Listing Regulations and/or the Accounting Standards and/or the Companies Act, 2013.
11. Scrutiny of inter-corporate loans and investments;
12. Valuation of undertakings or assets of the company, wherever it is necessary;
13. Evaluation of internal financial controls and risk management systems;
14. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
15. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
16. Discussion with internal auditors of any significant findings and follow up there on;
17. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
18. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
19. Recommending to the board of directors the appointment and removal of the external auditor, fixation of audit fees and approval for payment for any other services;
20. Monitoring the end use of funds raised through public offers and related matters;
21. Looking into the reasons for substantial defaults in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
22. Reviewing the functioning of the whistle blower mechanism;

23. Monitoring the end use of funds raised through public offers and related matters;
24. Overseeing the vigil mechanism established by the Company, with the chairman of the Audit Committee directly hearing grievances of victimization of employees and directors, who used vigil mechanism to report genuine concerns in appropriate and exceptional cases;
25. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
26. Reviewing the utilization of loans and/or advances from/investments by the holding company in the subsidiary exceeding rupees hundred crores or 100% of the asset size of the subsidiary, whichever is lower including existing loans / advances/ investments, as may be applicable.
27. Carrying out any other functions required to be carried out as per the terms of reference of the Audit Committee as contained in the SEBI Listing Regulations or any other applicable law, as and when amended from time to time.
28. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.
29. To review compliance with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, at least once in a financial year and shall verify that the systems for internal control under the said regulations are adequate and are operating effectively; and
30. Such roles as may be prescribed under Companies Act, SEBI Listing Regulations and other applicable provisions.

Further, the Audit Committee shall mandatorily review the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Management letters / letters of internal control weaknesses issued by the statutory auditors;
3. Internal audit reports relating to internal control weaknesses;
4. The appointment, removal and terms of remuneration of the chief internal auditor;
5. Statement of deviations in terms of the SEBI Listing Regulations:
 - a. Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchanges) in terms of Regulation 32(1) of the SEBI Listing Regulations, and
 - b. Annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice in terms of Regulation 32(7) the SEBI Listing Regulations.
6. Review the financial statements, in particular, the investments made by any utilized subsidiary;

As required under the SEBI (LODR) Regulations, the Audit Committee shall meet at least four times in a year, and not more than one hundred and twenty days shall elapse between two meetings. The quorum shall be two members present, or one third of the members, whichever is greater, provided that there should be a minimum of two independent directors present.

STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholders' Relationship Committee has been formed by the Board of Directors, at the meeting held on July 22, 2024. As on the date of this Prospectus the Stakeholders' Relationship Committee comprises of:

| Name of the Director | Status in Committee | Nature of Directorship |
|-----------------------------|----------------------------|-------------------------------|
| Ravikant Gupta | Chairperson | Independent Director |
| Shweta Bhamare | Member | Independent Director |
| Raghav Somani | Member | Managing Director |

The scope and function of the Stakeholders' Relationship Committee is in accordance with Section 178 of the Companies Act, 2013 and the SEBI Listing Regulations and the terms of reference, powers and scope of the Stakeholders' Relationship Committee of our Company include:

1. Considering and specifically looking into various aspects of interest of shareholders, debenture holders and other security holders;
2. Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipts of annual reports, non-receipt of declared dividends, issue of new / duplicate certificates, general meetings, etc.;
3. Review of measures taken for effective exercise of voting rights by members;
4. Investigating complaints relating to allotment of shares, approvals of transfer or transmission of shares, debentures or any other securities;
5. Giving effect to all transfer /transmission of shares and debentures, dematerialisation of shares and re-materialisation

- of shares, split and issue of duplicate/consolidated share certificates, compliance with all the requirements related to shares, debentures and other securities from time to time;
6. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar and Share Transfer Agent;
 7. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company
 8. Carrying out such other functions as may be specified by the Board from time to time or specified/provided under the Companies Act or SEBI Listing Regulations, or by any other regulatory authority.

The Stakeholders Relationship Committee shall meet at least once in a year.

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee was constituted at a meeting of the Board of Directors held on July 22, 2024. As on the date of this Draft Prospectus the Nomination and Remuneration Committee comprises of:

| Name of the Director | Status in Committee | Nature of Directorship |
|---------------------------|---------------------|------------------------|
| Ravikant Gupta | Chairperson | Independent Director |
| Shweta Bhamare | Member | Independent Director |
| Kartavya Kumar Chitlangya | Member | Non-Executive Director |

The scope and function of the Nomination and Remuneration Committee is in accordance with Section 178 of the Companies Act, 2013 and SEBI Listing Regulations and the terms of reference, powers and role of our Nomination and Remuneration Committee are as follows:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;

The Nomination and Remuneration Committee, while formulating the above policy, should ensure that:

- (i) The level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run our Company successfully;
- (ii) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- (iii) Remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short-and-long term performance objectives appropriate to the working of the Company and its goals.

1. Formulation of criteria for evaluation of the performance of the independent directors and the Board;
2. Devising a policy on diversity of board of directors;
3. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal and shall specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance.
4. Analysing, monitoring and reviewing various human resource and compensation matters;
5. Deciding whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
6. Determining the Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;
7. Recommending to the board, all remuneration, in whatever form, payable to senior management and other staff, as deemed necessary;
8. Reviewing and approving the Company's compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
9. Performing such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, if applicable;
10. Framing suitable policies, procedures and systems to ensure that there is no violation of securities laws, as amended from time to time, including:

- a) the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and
 - b) the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003, by the trust, the Company and its employees, as applicable;
11. Administering, monitoring and formulating detailed terms and conditions of the employee stock option scheme, if any, of the Company;
 12. Construing and interpreting the ESOP Scheme and any agreements defining the rights and obligations of the Company and eligible employees under the ESOP Scheme, and prescribing, amending and / or rescinding rules and regulations relating to the administration of the ESOP Scheme;
 13. Performing such other activities as may be delegated by the Board or specified/ provided under the Companies Act, 2013 to the extent notified and effective, as amended or by the Securities and Exchange board of India (Listing Obligations and Disclosure Requirements) regulations, 2015, as amended or by any other applicable law or regulatory authority.
 14. For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
 1. use the services of an external agencies, 'if required;
 2. consider candidates from a wide range of backgrounds, having due regard to diversity; and
 3. consider the time commitments of the candidates.
 15. Carrying out any other functions required to be carried out by the Nomination and Remuneration Committee as contained in the SEBI Listing Regulations or any other applicable law, as and when amended from time to time.

The Nomination and Remuneration Committee shall meet at least once in a year.

Any members of this committee may be removed or replaced any time by the board, any member of this committee ceasing to be a director shall be ceased to be a member of this committee.

Compliance with SME Listing Regulations

The provisions of the SEBI (Listing Obligation and Disclosures) Regulations, 2015 will be applicable to our Company immediately upon the listing of Equity Shares of our Company on Emerge Platform of NSE.

Our Key Managerial Personnel

In addition to our Managing Director, whose details have been provided under paragraph above titled '*Brief Profile of our Directors*', set forth below are the details of our Key Managerial Personnel as on the date of filing of this Draft Red Herring Prospectus:

Pankaj Neema, aged 51, is the Chief Financial Officer of our Company. He holds a bachelor's degree in commerce from Devi Ahilya Vishwavidyalaya, Indore. In the past, he was associated with Hindustan Equipments Private Limited in capacity of head of account & taxation (account department). He has an experience of more than fourteen years in the field of accounting and finance. He has been associated with our Company since November 25, 2023 in the capacity of senior accountant and was promoted as the Chief Financial of our Company with effect from July 22, 2024 and oversees finance and accounts of our Company. He has not received any remuneration in the capacity of CFO during Fiscal 2024.

Namita Singh Rathour, aged 36, is the Company Secretary and Compliance Officer of our Company. She attended University of Pune to pursue bachelor's and master's degree in commerce. She also attended Vikram University, Ujjain to pursue bachelor's degree in law. She is an associate member of the Institute of Company Secretaries of India. In the past, she was associated with L&L Products India Private Limited and Reichindia Pharma Limited in capacity of whole-time company secretary. She has an experience of more than three years in in secretarial and compliance matters. She has been associated with our Company since July 22, 2024 and has not received any remuneration during Fiscal 2024.

All our Key Managerial Personnel are permanent employees of our Company.

Our Senior Managerial Personnel

Apart from our Managing Directors, Chief Financial Officer and Company Secretary and Compliance Officer, whose details have been provided under paragraph above titled '*Brief Profile of our Directors*' and '*Our Key Managerial Personnel*', set forth below are the details of our Senior Managerial Personnel as on the date of filing of this Draft Red Herring Prospectus:

Sunil Mishra, aged 36, is the Operations Head of our Company. He attended Government Mahakoshal Arts & Commerce Autonomous College, Jabalpur to pursue bachelor's degree in business administration. In the past, he was associated with Pacific Exports in the capacity of executive; with Teamlease Services Limited, in the capacity of credit processing associate; and with Swarababy Products Private Limited, in the capacity of an executive. He has an experience of more than five years in administrative management and banking and finance matters. He has been associated with our Company since April 1, 2024 and has not received any remuneration during Fiscal 2024.

Vranda Baheti, aged 26 is the HR Manager of our Company. She holds a bachelor's degree in commerce from Vikram University, Ujjain. She attended Prestige Institute of Management and Research to pursue master's degree in business administration. In the past, she was associated with Valyrian Labs Private Limited, in the capacity of human resource executive. She has an experience of more than two years in human resource administration. She has been associated with our Company since April 1, 2024 and has not received any remuneration during Fiscal 2024.

Relationship of Key Managerial Personnel and Senior Management with our Directors, Promoters and / or other Key Managerial Personnel and Senior Management

Except as disclosed under the heading “*Relationship between our Directors*”, none of our Key Managerial Personnel and Senior Management are related to each other or to any of our Directors.

Shareholding of the Key Managerial Personnel and Senior Management

Except as disclosed below, none of the Key Management Personnel and Senior Management hold shareholding in our Company:

| Sr. No. | Name of SMP | Number of Equity Shares of face value of ₹ 10 each | % of Equity Share Capital |
|---------|---------------|--|---------------------------|
| 1) | Vranda Baheti | 2,92,617 | 4.00 |

Bonus or Profit Sharing Plan for our Key Managerial Personnel and Senior Management

None of our Key Managerial Personnel and Senior Management is a party to any bonus or profit sharing plan.

Payment or benefit to Key Managerial Personnel and Senior Management of our Company

Except as disclosed in this Draft Red Herring Prospectus, no amount or benefit has been paid or given within two preceding years or is intended to be paid or given to any of the Key Managerial Personnel and Senior Management except the normal remuneration for services rendered by them. Additionally, there is no contingent or deferred compensation payable to any of our Key Managerial Personnel and Senior Management.

Interest of Key Managerial Personnel and Senior Management

Except as disclosed in this Draft Red Herring Prospectus, none of our Key Managerial Personnel and Senior Management have any interest in our Company other than to the extent of the remuneration, equity shares held by them or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business.

Further, there is no arrangement or understanding with the major shareholders, customers, suppliers or others, pursuant to which any of our Key Managerial Personnel and Senior Management have been appointed.

Changes in Key Managerial Personnel and Senior Management in the Last Three Years

In addition to the changes specified under “*Changes in our Board during the Last Three Years*”, set forth below, are the changes in our Key Managerial Personnel and Senior Management in the last three years immediately preceding the date of filing of this Draft Red Herring Prospectus:

| Name | Designation | Date of change | Reason |
|----------------------|--|----------------|-------------|
| Pankaj Neema | Chief Financial Officer | July 22, 2024 | Appointment |
| Namita Singh Rathour | Company Secretary and Compliance Officer | July 22, 2024 | Appointment |
| Sunil Mishra | Operations Head | April 1, 2024 | Appointment |
| Vranda Baheti | HR Manager | April 1, 2024 | Appointment |

The attrition of the Key Management Personnel and Senior Management is as per the industry standards.

Employees' Stock Option Plan

As on date of this Draft Red Herring Prospectus, our Company does not have any employee stock option plan or purchase schemes for our employees.

Loans taken by Directors / Key Management Personnel and Senior Management

Our Company has not granted any loans to the Directors and/or Key Management Personnel and Senior Management as on the date of this Draft Red Herring Prospectus.

OUR PROMOTERS AND PROMOTER GROUP

Our Promoters

The Promoters of our Company are Raghav Somani and Priya Somani.

The details of the shareholding of our Promoters, as on date of this Draft Red Herring Prospectus has been provided below:

| Sr. No. | Particulars | No. of Equity Shares of face value of ₹ 10 each | % of Shares to Pre – Offer Equity Share Capital |
|---------|---------------|---|---|
| 1. | Raghav Somani | 30,72,476 | 42.00 |
| 2. | Priya Somani | 30,72,462 | 42.00 |
| Total | | 61,44,938 | 84.00 |

For details, please see “*Capital Structure – Shareholding of our Promoters*” on page 86.

Details of our Promoters

1. Raghav Somani



Raghav Somani, aged 33 years, is the Chairman and Managing Director of our Company. He resides at 402, Navratna Galaxy, 95 Gumasta Nagar, Indore – 452 009, Madhya Pradesh, India.

The Permanent Account Number of Raghav Somani is DGIPS2177H.

For complete profile of Raghav Somani, along with details of his date of birth, educational qualifications, professional experience, positions/ posts held in the past and other directorships and special achievements, please see “*Our Management*” on page 164.

2. Priya Somani



Priya Somani, aged 33 years, is the Whole-time Director of our Company. She resides at 402, Navratna Galaxy, 95 Gumasta Nagar, Indore – 452 009, Madhya Pradesh, India.

The Permanent Account Number of Priya Somani is BDIPG1548R.

For complete profile of Priya Somani, along with details of her date of birth, educational qualifications, professional experience, positions/ posts held in the past and other directorships and special achievements, please see “*Our Management*” on page 164.

Other Ventures of our Promoters

The ventures in which our Promoters is involved in are as follows:

Raghav Somani

| S. No. | Name of the entity | Nature of Interest |
|--------|--------------------|--------------------|
| 1. | Nil | Nil |

Priya Somani

| S. No. | Name of the entity | Nature of Interest |
|--------|--------------------|--------------------|
| 1. | Nil | Nil |

Our Company confirms that the permanent account numbers, bank account numbers, passport numbers, Aadhaar card numbers and driving license numbers of our Promoters shall be submitted to NSE at the time of filing this Draft Red Herring Prospectus.

Change in Control of our Company

There has been no change in the control of our Company since incorporation.

Experience of our Promoters in the business of our Company

Our Promoters hold experience in the business of our Company. For details in relation to experience of our Promoters in the business of our Company, please refer to the chapter titled “*Our Management*” beginning on page 164 of this Draft Red Herring Prospectus.

Interest of our Promoters

Interest in promotion of our Company

Our Promoters are interested in our Company to the extent that they have promoted our Company and to the extent of their shareholding in our Company and the dividends payable, if any, and any other distributions in respect of their shareholding in our Company or the shareholding of their relatives in our Company. For details of the shareholding and directorships of our Promoters in our Company, please refer to the chapter titled “*Capital Structure*”, “*Our Management*” and “*Restated Financial Information*” beginning on page 81, 164 and 183, respectively of this Draft Red Herring Prospectus.

Interest of Promoters in our Company other than as a Promoter

Our Promoters, Raghav Somani is the Managing Director, and Priya Somani is the Whole-time Director of our Company, therefore, may be deemed to be interested to the extent of any remuneration payable to them in such capacity. Except as stated in this section and the section titled “*Our Management*”, “*Financial Indebtedness*” and “*Restated Financial Information*” beginning on page 164, 229 and 183, respectively, our Promoters do not have any interest in our Company other than as Promoters.

Except as disclosed in “*Financial Information*” and “*Financial Indebtedness*” on page 183 and 229, respectively in this Draft Red Herring Prospectus, our Promoters and members of our Promoter Group have (i) not extended any personal guarantees and (ii) have not provided their personal properties, for securing the repayment of the bank loans obtained by our Company. Our Promoters have also advanced certain unsecured loans to our Company, for further details, please refer to the chapter titled “*Financial Indebtedness*” on page 229 of this Draft Red Herring Prospectus.

No sum has been paid or agreed to be paid to our Promoters or to the firms or companies in which our Promoters are interested as members in cash or shares or otherwise by any person, either to induce them to become or to qualify them, as directors or promoters or otherwise for services rendered by our Promoters or by such firms or companies in connection with the promotion or formation of our Company.

Interest in the properties of our Company

Our Promoters are not interested in the properties acquired by our Company in the three years preceding the date of filing of this Draft Red Herring Prospectus with NSE or proposed to be acquired by our Company, or in any transaction by our Company for the acquisition of land, construction of building or supply of machinery.

We confirm that there are no conflict of interest between the suppliers of raw materials and third party service providers (crucial for operations of our Company) and our Promoters and Promoter Group.

Other Interest and Disclosures

Our Promoters are not interested in any transaction in acquisition of land or property, construction of building and supply of machinery, or any other contract, agreement or arrangement entered into by the Company and no payments have been made or are proposed to be made in respect of these contracts, agreements or arrangements.

Payment or benefits to our Promoters and Promoters’ Group during the last two years

Madhav Somani, brother of our Managing Director, Raghav Somani, was associated with our Company, in the capacity of an Executive Director. He is presently employed with our Company in the capacity of an associate – sales and marketing and may be deemed to be interested to the extent of remuneration paid to Madhav Somani, in the said capacity. Further, Krishna Kant Somani, the father of our Managing Director, Raghav Somani, was employed with our Company, in the capacity of an associate – purchase and procurement. Additionally, Hansa Somani, the mother of our Managing

Director, Raghav Somani was employed with our Company, in the capacity of associate – HRD. The aforementioned members of Promoter Group may be deemed to be interested in the remuneration payable to them by our Company. For further details, please refer to the chapter titled “*Restated Financial Information - Related Party Transactions*” beginning on page 183 of this Draft Red Herring Prospectus.

Except as stated in this chapter and in the chapter titled “*Restated Financial Information - Related Party Transactions*”, there has been no payment of any amount of benefits to our Promoters or the members of our Promoters’ Group during the last two years from the date of this Draft Red Herring Prospectus nor is there any intention to pay or give any benefit to our Promoter or Promoters’ Group as on the date of this Draft Red Herring Prospectus. For further details, please refer to the chapter titled “*Restated Financial Information - Related Party Transactions*” on page 183 of this Draft Red Herring Prospectus.

Litigations involving our Promoters

As on date of this Draft Red Herring Prospectus, there are no litigation involving our Promoters.

Guarantees

Except as disclosed in the chapter titled “*Financial Indebtedness*”, our Promoters have not extended any guarantees against the Equity Shares held by them to third parties in respect of our Company and the Equity Shares that are outstanding as on the date of filing of this Draft Red Herring Prospectus.

Details of Companies / Firms from which our Promoters has disassociated in the last three years

Our Promoter has not disassociated themselves from any company/firm during three years preceding the date of this Draft Red Herring Prospectus.

OUR PROMOTERS’ GROUP

In addition to our Promoters, the following individuals and entities form part of our Promoters’ Group in terms of Regulation 2(1) (pp) of the SEBI (ICDR) Regulations:

Individuals forming part of the Promoters’ Group:

| S. No. | Name of member of our Promoter Group | Relationship with our Promoter |
|-----------------------------|--------------------------------------|--------------------------------|
| <i>Raghav Somani</i> | | |
| 1. | Priya Somani | Spouse |
| 2. | Krishna Kant Somani | Father |
| 3. | Hansa Somani | Mother |
| 4. | Madhav Somani | Brother |
| 5. | - | Sister |
| 6. | Rudraksh Somani | Son |
| 7. | Anaya Somani | Daughter |
| 8. | Anil Kumar Gattani | Spouse’s father |
| 9. | Sunita Gattani | Spouse’s mother |
| 10. | Raghav Gattani | Spouse’s brother |
| 11. | - | Spouse’s sister |
| <i>Priya Somani</i> | | |
| 1. | Raghav Somani | Spouse |
| 2. | Anil Kumar Gattani | Father |
| 3. | Sunita Gattani | Mother |
| 4. | Raghav Gattani | Brother |
| 5. | - | Sister |
| 6. | Rudraksh Somani | Son |
| 7. | Anaya Somani | Daughter |
| 8. | Krishna Kant Somani | Spouse’s father |
| 9. | Hansa Somani | Spouse’s mother |
| 10. | Madhav Somani | Spouse’s brother |
| 11. | - | Spouse’s sister |

Entities forming part of the Promoters’ Group:

Except as stated below, no other company, firm or HUF are forming part of the promoters’ group:

| Sr. No. | Name of the entities |
|---------|---|
| 1. | M/s. Charbhuj Minerals (Partnership Firm) |

| Sr. No. | Name of the entities |
|---------|---|
| 2. | M/s. Shanti Jewellers (Proprietorship) |
| 3. | Shree Namak Udyog (Proprietorship) |
| 4. | Rakshak Foods Private Limited |
| 5. | Shreeji Salt Industries (Proprietorship) |
| 6. | Sitaram Ramavtar and Co. (Partnership Firm) |
| 7. | Shree Impex (Proprietorship) |
| 8. | Shree Salt Works (Partnership Firm) |
| 9. | M/s. Raghav Gattani (Proprietorship) |
| 10. | Krishnakant Shantilal Somani (HUF) |
| 11. | Shantilal Balmukund Somani (HUF) |

Other Confirmations

Neither our Promoters nor members of the Promoters' Group have been declared as wilful defaulters by the RBI or any other governmental authority nor there are any violations of securities laws committed by them in the past or are currently pending against them.

Our Promoters have not been declared as a Fugitive Economic Offender under Section 12 of the Fugitive Economic Offenders Act, 2018.

Neither Promoters nor entities forming part of our Promoters' Group have been debarred or prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

Our Promoters and members of the Promoters' Group are not and have never been promoter, directors or person in control of any other company, which is debarred or prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

There is no litigation or legal action pending or taken by any ministry, department of the Government or statutory authority during the last 5 (five) years preceding the date of this Draft Red Herring Prospectus against our Promoters.

We confirm that as on date of this Draft Red Herring Prospectus, there is no conflict of interest between the suppliers of raw materials and third party service providers (crucial for operations of our Company) and our Promoters or members of our Promoter Group.

OUR GROUP COMPANIES

In accordance with the SEBI ICDR Regulations and the applicable accounting standards, for the purpose of identification of 'group companies', our Company has considered such companies with which there were related party transactions during the period for which Restated Financial Statements has been disclosed in this Draft Red Herring Prospectus, as covered under the applicable accounting standards.

Accordingly, all such companies with which there were related party transactions during the periods covered in the Restated Financial Statements, as covered under the applicable accounting standards, shall be considered as Group Companies in terms of the SEBI ICDR Regulations.

Based on the parameters outlined above, our Company does not have any group companies as on the date of this Draft Red Herring Prospectus.

DIVIDEND POLICY

The declaration and payment of dividends, if any, will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act. The dividend, if any, will depend on a number of factors, including but not limited to, net operating profit after tax, working capital requirements, capital expenditure requirements, cash flow required to meet contingencies, outstanding borrowings, and applicable taxes including dividend distribution tax payable by our Company. In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under loan or financing arrangements our Company is currently availing of, or may enter into, to finance our fund requirements for our business activities. As on the date of this Draft Red Herring Prospectus, our Company does not have a formal dividend policy.

Upon listing of the Equity Shares of our Company and subject to the SEBI Listing Regulations, we may be required to formulate a dividend distribution policy which shall be required to include, among others, details of circumstances under which the shareholders may or may not expect dividend, the financial parameters that shall be considered while declaring dividend, internal and external factors that shall be considered for declaration of dividend, policy as to how the retained earnings will be utilized and parameters that shall be adopted with regard to various classes of shares, as applicable.

Our Company has not declared any dividends during the three months period ended June 30, 2024 and the last three Financial Years. Further, our Company has not declared any dividend in the current Fiscal. There is no guarantee that any dividends will be declared or paid in future. For details in relation to the risk involved, please refer section titled “*Risk Factors*” on page 28 of this Draft Red Herring Prospectus.

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SECTION VI – FINANCIAL INFORMATION

RESTATED FINANCIAL INFORMATION

| S. No. | Details | Page Number |
|---------------|---|--------------------|
| 1. | Examination Report on Restated Financial Statements for the three months period ended June 30, 2024 and for the Financial Years ended March 31, 2024, March 31, 2023 and March 31, 2023 | 184 |
| 2. | Restated Financial Statements for the three months period ended June 30, 2024 and for the Financial Years ended March 31, 2024, March 31, 2023 and March 31, 2022 | 187 |

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**Examination report of Independent Auditor on the Restated Financial Statements of
Sawaliya Food Products Limited
(Formerly known as Sawaliya Food Products Private Limited)**

**To,
The Board of Directors
Sawaliya Food Products Limited
(Formerly known as SAWALIYA FOOD PRODUCTS PRIVATE LIMITED)
Survey No. 9/2/1/2 Gavla,
Tehsil Pithampur, Dhar - 454 775,
Madhya Pradesh, India.**
Dear Sir,

1. We have examined the attached Restated Financial Statements of SAWALIYA FOOD PRODUCTS LIMITED (Formerly known as SAWALIYA FOOD PRODUCTS PRIVATE LIMITED), (“Company”) comprising the Restated Standalone Financial Statements of the Company constituting Restated Statement of Assets and Liabilities as at 30th June 2024, 31st March 2024, 2023 and 2022, the Restated Statements of Profit and Loss, the Restated Cash Flow Statement for the period ended 30th June 2024, 31st March 2024, 2023 and 2022. the Summary Statement of Significant Accounting Policies, the Notes and Annexures as forming part of these Restated Financial Statements (collectively, the “Restated financial statement”), as approved by the Board of Directors of the Company at their meeting held September 23, 2024 on for the purpose of inclusion in the Draft offer document/ offer document (“Draft offer document/ offer document”) prepared by the Company in connection with its proposed SME Initial Public Offer of equity shares (“SME IPO”) prepared in terms of the requirements of:
 - a) Section 26 of Part I of Chapter III of the Companies Act, 2013 (the “Act”);
 - b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“ICDR Regulations”); and
 - c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (“ICAI”), as amended from time to time (the “Guidance Note”).

Management’s Responsibility for the Restated Financial Statements

2. The Company’s Board of Directors is responsible for the preparation of the Restated Financial Statements for the purpose of inclusion in the Draft offer document/ offer document
3. The Restated Financial Statements have been prepared by the management of the Company on the basis of preparation stated in Annexure 4 to the Restated Financial Statements. The Board of Directors of the Company’s responsibility includes designing, implementing, and maintaining adequate internal control relevant to the preparation and presentation of the Restated Financial Statements. The Board of Directors is also responsible for identifying and ensuring that the Company complies with the Act, ICDR Regulations, and the Guidance Note.

Auditors’ Responsibilities

4. We have examined such Restated Financial Statements taking into consideration:
 - a. The terms of reference and terms of our engagement agreed with you in accordance with our engagement letter; requesting us to carry out the assignment, in connection with the proposed IPO of equity shares of the Company
 - b. The Guidance Note. The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;

- c. Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Financial Statements; and
- d. The requirements of Section 26 of the Act and the ICDR Regulations.

Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations, and the Guidance Note in connection with the proposed initial public offer of its equity shares of the Company.

5. The Restated Financial Statements have been compiled by the management of the Company from:
- i. Audited standalone Financial Statements of the company as at and for the period ended 30th June 2024 which were prepared in accordance with the Accounting Standards as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended, and other accounting principles generally accepted in India (“**Special Purpose interim audited Financial Statements**”);
 - ii. The audited financial statements of the Company as at and for the financial year ended March 31, 2024 which were prepared in accordance with the Accounting Standards as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended, and other accounting principles generally accepted in India (“**Audited Financial Statements 2024**”);
 - iii. The audited financial statements of the Company as at and for the financial year ended March 31, 2023 which were prepared in accordance with the Accounting Standards as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended, and other accounting principles generally accepted in India (“**Audited Financial Statements 2023**”);
 - iv. The audited financial statements of the Company as at and for the financial year ended March 31, 2022 which were prepared in accordance with the Accounting Standards as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended, and other accounting principles generally accepted in India (“**Audited Financial Statements 2022**”).

We have audited the Special Purpose financial statements for the year ended March 31, 2024 which were prepared in accordance with the Accounting Standards for the limited purpose of complying with the requirement of getting its financial statements audited by an audit firm holding a valid peer review certificate issued by the “Peer Review Board” of the ICAI as required by ICDR Regulations in relation to proposed IPO. We have issued our report dated August 22, 2024 on these special purpose financial statements.

The statutory audits of the for the for financial year ended on March 31, 2023 and March 31, 2022 were conducted by the Previous Statutory Auditor I.e. Nirza Gattani & Associates, Chartered Accountants (“**Previous Auditor**”). Accordingly, reliance has been placed on the financial information examined by him for the said years. The examination report included for these years is based solely on the report submitted by him and no audit has been carried out by us.

6. For the purpose of our examination, we have relied on:
- a. the Special Purpose Interim Auditors’ reports issued by us dated August 22, 2024 Special Purpose Interim Audited Financial Statements as at and for the period ended June 30, 2024 as referred in Paragraph 5 above;
 - b. the Auditors’ reports issued by us dated August 22, 2024 on Audited Financial Statements 2024 as at and for the year ended March 31, 2024 as referred in Paragraph 5 above;
 - c. the Auditors’ reports issued by Previous Auditor dated on September 07, 2023 Audited Financial Statements 2022 as at and for the year ended March 31, 2023 as referred in Paragraph 5 above;
 - d. the Auditors’ reports issued by Previous Auditor dated on September 07, 2022 Audited Financial Statements 2021 as at and for the year ended March 31, 2022 as referred in Paragraph 5 above;

7. Based on our examination and according to the information and explanations given to us, we report that the Restated financial information have been prepared:
 - a) have been prepared after incorporating adjustments for changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the period/financial period ended June 30, 2024, March 31, 2024 March 31, 2023 and March 31, 2022 to reflect the same accounting treatment as per the accounting policies and groupings/classifications as at and for the period ended June 30, 2024;
 - b) There are no qualifications in the auditor's reports on the Standalone financial statements of as at and for the period ended June 30, 2024 and standalone financial statements of as at and for the year ended 31st March 2024, 31st March 2023, and 31st March 2022, which require any adjustments to the Restated financial Statements.
 - c) have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.
8. We have been subjected to the peer review process of the ICAI and hold a valid peer review certificate issued by the "Peer Review Board" of the ICAI.
9. The Restated Financial Statements do not reflect the effects of events that occurred subsequent to the respective dates of the reports on Audited Financial Statements mentioned in paragraph 7 above.
10. The report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by us or Previous Auditor nor should this report be construed as a new opinion on any of the financial statements referred to therein.
11. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
12. Our report is intended solely for use of the Board of Directors for inclusion in the Offer Documents to be filed with SEBI, Stock Exchange, and ROC in connection with the proposed IPO. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For M/s Maheshwari & Gupta
Chartered Accountants
ICAI FRN.: 006179C

CA Sunil Maheshwari
Partner
Membership No.: 403346
Place: Indore
Date: 23/09/2024
UDIN: 24403346BKALPE1275

Sawaliya Food Products Limited
(Formerly known as Sawaliya Food Products Private Limited)
CIN : U15400MP2014PLC032843

Annexure I- Restated Statement of Assets and Liabilities
(Amount in INR lakhs, unless otherwise stated)

| PARTICULARS | Note Nos. | As at | | As at | |
|---|-----------|-----------------|-----------------|-----------------|-----------------|
| | | 30 June 2024 | 31 March 2024 | 31 March 2023 | 31 March 2022 |
| A) EQUITY AND LIABILITIES | | | | | |
| 1. Shareholders' Funds | | | | | |
| (a) Share capital | 1 | 532.03 | 12.37 | 12.37 | 12.37 |
| (b) Reserves and surplus | 2 | 204.48 | 575.16 | 245.93 | 186.53 |
| Total (A) | | 736.52 | 587.53 | 258.31 | 198.90 |
| 2 Non Current Liabilities | | | | | |
| (a) Long-term borrowings | 3a | 1,053.81 | 616.82 | 813.36 | 353.34 |
| (b) Deferred Tax liabilities (net) | 4 | 16.05 | 14.52 | 16.54 | 16.14 |
| (c) Long-term provisions | 5 | 3.78 | 3.75 | 2.65 | 1.84 |
| Total (B) | | 1,073.64 | 635.09 | 832.56 | 371.32 |
| 3 Current Liabilities | | | | | |
| (a) Short-term borrowings | 3b | 1,015.58 | 676.21 | 522.35 | 350.41 |
| (b) Trade payables | 6 | | | | |
| (i) total outstanding dues of micro enterprises and small enterprises; and | | - | - | - | - |
| (ii) total outstanding dues of creditors other than micro enterprises and small enterprises | | 488.91 | 486.84 | 333.84 | 102.65 |
| (c) Other current liabilities | 7 | 21.37 | 45.15 | 49.76 | 19.11 |
| (d) Short term provisions | 8 | 160.02 | 109.37 | 6.86 | 7.35 |
| Total (C) | | 1,685.89 | 1,317.56 | 912.81 | 479.52 |
| Total Equity and Liabilities (A+B+C) | | 3,496.04 | 2,540.18 | 2,003.68 | 1,049.73 |
| B) ASSETS | | | | | |
| 1. Non Current Assets | | | | | |
| (a) Property, plant and equipment and Intangible assets | | | | | |
| (i) Property, plant and equipment | 9 | 640.58 | 654.34 | 401.73 | 480.23 |
| (ii) Capital Work in Progress | | 176.56 | - | 398.62 | - |
| | | 817.14 | 654.34 | 800.35 | 480.23 |
| (b) Non-current investments | 10 | 2.59 | 2.59 | 27.44 | 8.52 |
| (d) Long term loans and advances | 11 | 74.50 | 57.01 | 46.22 | - |
| Total (A) | | 894.23 | 713.94 | 874.00 | 488.75 |
| 2. Current Assets | | | | | |
| (a) Inventories | 12 | 1,437.96 | 1,313.82 | 851.36 | 275.79 |
| (b) Trade receivables | 13 | 736.46 | 283.49 | 58.95 | 207.41 |
| (c) Cash and cash equivalents | 14 | 20.42 | 87.74 | 10.90 | 5.38 |
| (d) Short term loans and advances | 15 | 389.44 | 122.62 | 195.23 | 54.92 |
| (e) Other current assets | 16 | 17.53 | 18.57 | 13.23 | 17.48 |
| Total (B) | | 2,601.81 | 1,826.24 | 1,129.68 | 560.98 |
| Total Assets (A+B) | | 3,496.04 | 2,540.18 | 2,003.68 | 1,049.73 |

The above statement should be read with Basis of Preparation, Significant Accounting Policies appearing in Annexure IV, and Notes to Restated Financial Information appearing in Annexure V.

This is the Restated Statement of Assets and Liabilities referred to in our report of even date.

For M/s Maheshwari & Gupta
Chartered Accountants
Firm Registration Number: 006179C

CA Sunil Maheshwari
Partner
M. No.: 403346
Place: Indore
Date: 23/09/2024

For Sawaliya Food Products Limited

Raghav Somani
Director
(DIN - 06770088)

Madhav Somani
Director
(DIN -08798017)

Namita Singh
Company Secretary

Pankaj Neema
Chief Financial Officer

Sawaliya Food Products Limited
(Formerly known as Sawaliya Food Products Private Limited)
CIN : U15400MP2014PLC032843

Annexure II- Restated Statement of Profit and Loss
(Amount in INR lakhs, unless otherwise stated)

| PARTICULARS | Note Nos. | For the period ended 30 June 2024 | For the year ended 31 March 2024 | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|-----------|--------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| 1 Income | | | | | |
| (a) Revenue from operations | 17 | 742.53 | 2,339.78 | 1,508.87 | 1,356.26 |
| (b) Other income | 18 | 9.38 | 27.26 | 21.38 | 8.38 |
| Total income | | 751.91 | 2,367.04 | 1,530.26 | 1,364.64 |
| 2 Expenditure | | | | | |
| (a) Cost of raw material consumed | 19 | 492.06 | 1,723.80 | 1,398.95 | 786.49 |
| (b) Changes in inventories of finished goods, work-in-progress and stock-in-trade | 20 | (124.14) | (462.45) | (575.57) | (36.78) |
| (c) Employee benefit expenses | 21 | 44.57 | 121.75 | 115.05 | 117.92 |
| (d) Finance cost | 22 | 54.20 | 126.51 | 74.09 | 44.56 |
| (e) Depreciation & amortization expense | 23 | 13.76 | 55.04 | 35.94 | 35.26 |
| (f) Other expenses | 24 | 70.27 | 359.00 | 409.40 | 347.91 |
| Total expenses | | 550.72 | 1,923.65 | 1,457.86 | 1,295.37 |
| 3 Profit/(Loss) before exceptional and extra ordinary item | | 201.19 | 443.39 | 72.40 | 69.27 |
| Exceptional items | | - | - | - | - |
| 4 Profit/(Loss) before tax (2-4) | | 201.19 | 443.39 | 72.40 | 69.27 |
| 5 Tax expense: | | | | | |
| (a) Tax expense for current year | | 50.68 | 116.19 | 12.59 | 12.02 |
| (b) Deferred tax | | 1.53 | (2.03) | 0.41 | (16.12) |
| Net current tax expenses | | 52.21 | 114.17 | 12.99 | (4.10) |
| 6 Profit/(Loss) for the period from continuing operations (5-6) | | 148.98 | 329.23 | 59.41 | 73.37 |
| Earnings per share | | | | | |
| Restated Basic and Diluted [nominal value of INR 10 per share] * | | 2.04 | 4.50 | 0.81 | 1.00 |

*Consider effect of bonus issued as on September 02, 2024

The above statement should be read with Basis of Preparation, Significant Accounting Policies appearing in Annexure IV, and Notes to Restated Financial Information appearing in Annexure V.

This is the Restated Statement of Profit and Loss referred to in our report of even date.

For M/s Maheshwari & Gupta
Chartered Accountants
Firm Registration Number: 006179C

For Sawaliya Food Products Limited

CA Sunil Maheshwari
Partner
M. No.: 403346
Place: Indore
Date: 23/09/2024

Raghav Somani
Director
(DIN - 06770088)

Madhav Somani
Director
(DIN -08798017)

Namita Singh
Company Secretary

Pankaj Neema
Chief Financial Officer

Sawaliya Food Products Limited
(Formerly known as Sawaliya Food Products Private Limited)
CIN : U15400MP2014PLC032843

Annexure III- Restated Statement of Cash Flows
(Amount in INR lakhs, unless otherwise stated)

| PARTICULARS | For the period ended 30 June 2024 | For the year ended 31 March 2024 | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|--------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| A) Cash Flow From Operating Activities : | | | | |
| Net Profit before tax | 201.19 | 443.39 | 72.40 | 69.27 |
| Adjustment for : | | | | |
| Gratuity Prior period | | | | (1.24) |
| Depreciation | 13.76 | 55.04 | 35.94 | 35.26 |
| Interest income on fixed deposit | (0.87) | (3.77) | (1.49) | (1.96) |
| Interest paid | 54.20 | 126.51 | 74.09 | 44.56 |
| Operating profit before working capital changes | 268.29 | 621.18 | 180.95 | 145.89 |
| Changes in Working Capital | | | | |
| (Increase)/Decrease in Inventories | (124.14) | (462.45) | (575.57) | (36.78) |
| (Increase)/Decrease in trade receivables | (452.97) | (224.54) | 148.45 | (45.88) |
| (Increase)/Decrease in other current assets | 1.04 | (5.35) | 4.25 | (3.02) |
| Increase/(Decrease) in trade payables | 2.08 | 153.00 | 231.19 | 24.99 |
| Increase/(Decrease) in other current liabilities | (23.77) | (4.61) | 30.65 | 19.11 |
| Increase/(Decrease) in Long term provisions | 0.03 | 1.10 | 0.81 | 1.84 |
| Increase/(Decrease) in short term provisions | 50.65 | 102.51 | (0.49) | (0.51) |
| | (278.80) | 180.83 | 20.24 | 105.63 |
| Direct Tax Paid | (50.68) | (116.19) | (12.59) | (12.02) |
| Cash Flow Before Extraordinary Item | (329.48) | 64.64 | 7.66 | 93.60 |
| Extraordinary Items | - | - | - | - |
| Cash Flow From Operating Activities | (329.48) | 64.64 | 7.66 | 93.60 |
| B) Cash Flow From Investing Activities : | | | | |
| Purchase/Sale of Property, Plant and Equipment net of subsidy | - | 90.96 | 42.56 | (65.81) |
| Capital work in progress | (176.56) | - | (398.62) | - |
| (Increase)/Decrease in short term loans & advances | (266.83) | 72.62 | (140.31) | (33.79) |
| (Increase)/Decrease in Non- current investment | - | 24.85 | (18.92) | (8.52) |
| (Increase)/Decrease in Long term loans & advances | (17.50) | (10.79) | (46.22) | - |
| Interest income on fixed deposit | 0.87 | 3.77 | 1.49 | 1.96 |
| Net cash flow from investing activities | (460.01) | 181.40 | (560.02) | (106.15) |
| C) Cash Flow From Financing Activities : | | | | |
| Increase/(Decrease) in long term borrowings | 436.99 | (196.54) | 460.02 | (61.26) |
| Increase/(Decrease) in short term borrowings | 339.37 | 153.85 | 171.95 | 100.91 |
| Interest Paid | (54.20) | (126.51) | (74.09) | (44.56) |
| Net cash flow from financing activities | 722.16 | (169.20) | 557.88 | (4.91) |
| Net Increase/(Decrease) In Cash & Cash Equivalents | (67.33) | 76.84 | 5.52 | (17.46) |
| Cash equivalents at the beginning of the year | 87.74 | 10.90 | 5.38 | 22.84 |
| Cash equivalents at the end of the year | 20.41 | 87.74 | 10.90 | 5.38 |

Notes :-

| PARTICULARS | For the period ended 30 June 2024 | For the year ended 31 March 2024 | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|-------------|--|-------------------------------------|-------------------------------------|-------------------------------------|
| 1 | Component of Cash and Cash equivalents | | | |
| | 8.65 | 11.68 | 10.37 | 5.34 |
| | Balances with banks | | | |
| | 11.77 | 15.50 | 0.53 | 0.05 |
| | - | 60.56 | - | - |
| 2.1 | The Restated Statement of Cash Flows has been prepared under the indirect method as set out in AS 3, Statement of Cash Flows. | | | |
| 2.2 | The above statement should be read with Basis of Preparation, Significant Accounting Policies appearing in Annexure IV, and Notes to Restated Financial Information appearing in Annexure V. | | | |
| 2.3 | This is the Restated Statement of Cash Flows referred to in our report of even date. | | | |

For M/s Maheshwari & Gupta
Chartered Accountants
Firm Registration Number: 006179C

For Sawaliya Food Products Limited

CA Sunil Maheshwari
Partner
M. No.: 403346
Place: Indore
Date: 23/09/2024

Raghav Somani
Director
(DIN - 06770088)

Madhav Somani
Director
(DIN -08798017)

Namita Singh
Company Secretary

Pankaj Neema
Chief Financial Officer

ANNEXURE-IV

SIGNIFICANT ACCOUNTING POLICY AND NOTES TO THE RESTATED SUMMARY STATEMENTS

A. BACKGROUND

Sawaliya Food Products Limited is a Public Company domiciled in India originally incorporated as Sawaliya Food Products Private Limited on 01st July, 2014. The company got converted to Public Limited Company vide certificate of incorporation dated 12th July, 2024 issued by Registrar of Companies having Corporate Identification Number **U15400MP2014PLC032843**. The Company is engaged in the business of manufacturing and trading of fresh and dehydrated vegetables whether roots or leafy, health and nutrition product, etc.

B. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The Restated Statement of Assets and Liabilities of the Company as on June 30, 2024, as on March 31, 2024, as on March 31, 2023 and as on March 2022 and the Restated Statement of Profit and Loss and Restated Statements of Cash Flows for the period/year ended on June 30, 2024, on March 31, 2024, March 31, 2023 and March 31, 2022 and the annexure thereto (collectively, the “Restated Financial Statements” or “Restated Summary Statements”) have been extracted by the management from the Audited Financial Statements of the Company for the period/year ended on June 30, 2024, March 31, 2024, March 31, 2023 and March 31, 2022.

The financial statements are prepared and presented under the historical cost convention and evaluated on a going-concern basis using the accrual system of accounting in accordance with the accounting principles generally accepted in India (Indian GAAP) and the requirements of the Companies Act, including the Accounting Standards as prescribed by the Companies (Accounting Standards) Rules, 2014 as per section 133 of the Companies Act, 2013.

All amount disclosed in Financials Statement and notes have been rounded off to the nearest lakhs (except earnings per share) as per the requirement of Schedule III, unless otherwise stated.

The financial statement of the company has been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 the Companies Act, 2013, read with Rule 7 of the Companies Accounting Rules, 2014 and the relevant provisions of the Companies Act ("the 2013Act"), 2013. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

2. USE OF ESTIMATES

The preparation of financial statement in conformity with the GAAP requires estimates and assumption to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. The estimates and assumptions used in the accompanying financial statement are based upon management's evaluation of the relevant facts and circumstances as on the date of financial statements. Actual results may differ from the estimates used in preparing the accompanying financial statements. Difference between the actual result and estimates are recognized in the year in which the results are known or materialized.

3. PROPERTY, PLANT & EQUIPMENT

Property, plant and equipment (PPE) are stated at their cost of acquisition or construction less accumulated depreciation. The Company capitalizes all costs relating to the acquisition and installation of Fixed Assets.

Subsequent expenditure is capitalized only if it is probable that future economic benefits associated with the expenditure will flow to the company.

4. DEPRECIATION

The Company computes depreciation for all tangible fixed assets using the straight line based on estimated useful lives after retaining a residual value of 5% for all the assets. Depreciation is charged on a pro-rata basis from the date of installation till the date the assets are sold or disposed. In view of management, the useful life of the tangible fixed assets is as per the life specified in Schedule II of the Companies Act, 2013.

5. BORROWING COSTS

Borrowing costs include interest, amortization of ancillary cost incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

6. INVENTORIES

Inventories are stated at cost or net realizable value, whichever is lower. Cost of inventories comprises of expenditure incurred in the normal course of business in bringing inventories to their present location.

Cost comprises of cost of Purchase & other costs incurred in bringing them to their respective present location and condition and is determined on First-in-First-Out (FIFO) basis.

7. CASH & CASH EQUIVALENTS

Cash and Cash Equivalents in the balance sheet include cash at bank, cash, cheque, draft on hand and demand deposits with an original maturity of less than three months, which are subject to an insignificant risks of changes in value.

8. CURRENT/NON CURRENT CLASSIFICATIONS

The Schedule III to the Act requires assets and liabilities to be classified as either Current or Non-current. An asset is classified as current when it satisfies any of the following criteria:

- a) it is expected to be realized in, or is intended for sale or consumption in, the entity's normal operating cycle;
- b) it is held primarily for the purpose of being traded;
- c) it is expected to be realized within twelve months after the balance sheet date; or
- d) It is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the balance sheet date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

A liability is classified as current when it satisfies any of the following criteria:

- a) it is expected to be settled in, the entity's normal operating cycle;
- b) it is held primarily for the purpose of being traded;
- c) it is due to be settled within twelve months after the balance sheet date; or
- d) The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the balance sheet date.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

OPERATING CYCLE

Operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents.

9. REVENUE RECOGNITION

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

Sale of Goods

Revenue from, sale of goods is recognized in the statement of profit and loss account when the significant risk and reward of ownership have been transferred to the buyer. The Company collects GTS on behalf of the government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue.

Other Income

Other income if any is recognized on accrual basis.

10. EMPLOYEE BENEFITS

Short Term Employee Benefits

The short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized as an expense during the period when the employees render the services.

Post-Employment Benefits

Defined Contribution Plans

The company has no policy of encashment and accumulation of leave. Therefore, no provision of leave Encashment is made.

Company's contribution to Provident Fund and other Funds for the year is accounted on accrual basis and charged to the Statement of Profit & Loss for the year.

Defined Benefits Plans

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The company has recognized the gratuity payable to the employees as defined benefit plans. The liability in respect of these benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services

11. TAXATION

Tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the Income Tax Act, 1961) and deferred tax charge or credit (reflecting the tax effect of timing differences between accounting income and taxable income for the period).

Current tax

Provision for income tax is recognized based on estimated tax liability computed after adjusting for allowances, disallowances and exemptions in accordance with the Income Tax Act, 1961.

Deferred taxation

The deferred tax charge or credit and the corresponding deferred tax liabilities and assets are recognized using the tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the asset can be realized in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only if there is a virtual certainty of realization of the assets. Deferred tax assets are reviewed at each balance sheet date and written down or written-up to reflect the amount that is reasonably / virtually certain (as the case may be) to be realized.

Minimum Alternative Tax (MAT) credit

MAT credit asset is recognized where there is convincing evidence that the asset can be realized in future. MAT credit assets are reviewed at each balance sheet date and written down or written up to reflect the amount that is reasonably certain to be realized.

12. PROVISIONS AND CONTINGENCIES

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent assets are not recognized in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an economic benefit will arise, the asset and related income are recognized in the period in which the change occurs.

Loss contingencies arising from claims, litigation, assessment, fines, penalties, etc. are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated.

13. SEGMENT REPORTING

(i) Business Segment

The accounting policies adopted for segment reporting are in line with the accounting policies of their Company. Revenues, expenses, assets and liabilities have been identified into segments on the basis of their relationship to operating activities of segments (taking into account the nature of products and services and the risk and rewards associated with them) and internal management information systems and the same is reviewed from time to time to realign the same to conform to the business units of the Company. Revenues, expenses, assets, and liabilities, which are common to the enterprise as a whole and are not allocable to the segments on a reasonable basis, have been treated as "Common Revenues/Expenses/Assets/Liabilities", as the case may be.

(ii) Geographical Segment

The Company activities / operations are major to in India and export as such, there is only two geographical segment.

14. INVESTMENTS

Investments which are readily realizable and intended to be held for not more than a year from the date on which such investments are made, are classified as current investments. All other investments are classified as non-current investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees & duties.

Long term investments prescribed in the consolidated financial statements are carried at cost and current investment at lower of cost and fair value.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments

On disposal of an investment, the difference between carrying amount and net disposal proceeds is charged/credited to the consolidated statement of profit & loss.

15. CASH FLOW STATEMENTS

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. Cash flows from operating, investing and financing activities of the Company are segregated, accordingly.

C. NOTES TO ACCOUNTS

1. NON-ADJUSTMENT ITEMS

No Audit qualifications for the respective periods which require any corrective adjustment in these Restated Financial Statements of the Company have been pointed out during the restated period.

2. MATERIAL REGROUPING

Appropriate regrouping has been made in the restated summary statements of Assets and Liabilities Profits and Losses and Cash flows wherever required by reclassification of the corresponding items of income expenses assets and liabilities in order to bring them in line with the requirements of the SEBI Regulations.

The figures have been grouped and classified wherever they were necessary and have been rounded off to the nearest rupee in lakhs. Other figures of the previous years have been regrouped / reclassified and / or rearranged wherever necessary.

3. PAYABLE TO MICRO, SMALL AND MEDIUM ENTERPRISES

Under the Micro, Small and Medium Enterprises Development Act, 2006 which came into force from 2nd October 2006, certain disclosures are required to be made relating to Micro and Small Enterprises.

The company has not received the required information from any of the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006. Hence disclosures, if any, relating to amounts unpaid as the year end together with interest paid/payable as required under the Act have not been made.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Sawaliya Food Products Limited (CIN : U15400MP2014PLC032843)

Annexure V- Notes to Restated Financial Information

(Amount in INR lakhs, except for share data unless otherwise stated)

Note 1 Share capital

| Particulars | As at | As at | As at | As at |
|---|--------------|---------------|---------------|---------------|
| | 30 June 2024 | 31 March 2024 | 31 March 2023 | 31 March 2022 |
| Authorised | | | | |
| Number of shares | 1,01,25,000 | 1,25,000 | 1,25,000 | 1,25,000 |
| Equity shares of Rs.10 each | 1,012.50 | 12.50 | 12.50 | 12.50 |
| Issued | | | | |
| Number of shares | 53,20,304 | 1,23,728 | 1,23,728 | 1,23,728 |
| Equity shares of Rs.10 each fully paid up | 532.03 | 12.37 | 12.37 | 12.37 |
| Subscribed & Paid up | | | | |
| Number of shares | 53,20,304 | 1,23,728 | 1,23,728 | 1,23,728 |
| Equity shares of Rs.10 each fully paid up | 532.03 | 12.37 | 12.37 | 12.37 |

a) Rights, preferences and restrictions attached to equity shares

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder are in proportion to its share of the paid-up equity capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid.

b) Reconciliation of the number of equity shares outstanding at the beginning and end of the reporting period / year:

| Particulars | As at | As at | As at | As at |
|---|------------------|-----------------|-----------------|-----------------|
| | 30 June 2024 | 31 March 2024 | 31 March 2023 | 31 March 2022 |
| Balance at the beginning of the period / year | 1,23,728 | 1,23,728 | 1,23,728 | 1,23,728 |
| Add: Bonus issue of equity shares | 51,96,576 | - | - | - |
| Add: Right issue of equity shares | - | - | - | - |
| Balance at the end of the period / year | 53,20,304 | 1,23,728 | 1,23,728 | 1,23,728 |

c) Details of shareholders holding more than 5 percent of equity shares in the Company:

| Name of Shareholders | As at | As at | As at | As at |
|----------------------|--------------|---------------|---------------|---------------|
| | 30 June 2024 | 31 March 2024 | 31 March 2023 | 31 March 2022 |
| Raghav Somani | 11,40,102 | 26,514 | 26,514 | 26,514 |
| % Holding | 21.43% | 21.43% | 21.43% | 21.43% |
| Madhav Somani | 11,40,102 | 26,514 | 26,514 | 26,514 |
| % Holding | 21.43% | 21.43% | 21.43% | 21.43% |
| Krishna Somani | 9,22,168 | 21,446 | 21,446 | 21,446 |
| % Holding | 17.33% | 17.33% | 17.33% | 17.33% |
| Priya Somani | 5,97,872 | 6,362 | 6,362 | 6,362 |
| % Holding | 11.24% | 5.14% | 5.14% | 5.14% |
| Hansa somani | 9,22,168 | 21,446 | 21,446 | 21,446 |
| % Holding | 17.33% | 17.33% | 17.33% | 17.33% |
| Kamla Bai Somani | 10 | 21,446 | 21,446 | 21,446 |
| % Holding | 0.00% | 17.33% | 17.33% | 17.33% |

d) Shareholding of Promoters

| Shares held by promoters at the end of the period | | | | As at 30 June 2024 |
|---|---------------|-------------------|----------------------------|---------------------|
| Promoter's name | No. of Shares | % of total shares | % change during the period | |
| Raghav Somani | 11,40,102 | 21.43% | 0.00% | |
| Madhav Somani | 11,40,102 | 21.43% | 0.00% | |
| Krishna Somani | 9,22,168 | 17.33% | 0.00% | |
| Shares held by promoters at the end of the year | | | | As at 31 March 2024 |
| Promoter's name | No. of Shares | % of total shares | % change during the period | |
| Raghav Somani | 26,514 | 21.43% | 0.00% | |
| Madhav Somani | 26,514 | 21.43% | 0.00% | |
| Krishna Somani | 21,446 | 17.33% | 0.00% | |

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

| Shares held by promoters at the end of the year | | | As at 31 March 2023 | |
|---|---------------|-------------------|----------------------------|--|
| Promoter's name | No. of Shares | % of total shares | % change during the period | |
| Raghav Somani | 26,514 | 21.43% | 0.00% | |
| Madhav Somani | 26,514 | 21.43% | 0.00% | |
| Krishna Somani | 21,446 | 17.33% | 0.00% | |

| Shares held by promoters at the end of the year | | | As at 31 March 2022 | |
|---|---------------|-------------------|---------------------|--|
| Promoter's name | No. of Shares | % of total shares | | |
| Raghav Somani | 26,514 | 21.43% | | |
| Madhav Somani | 26,514 | 21.43% | | |
| Krishna Somani | 21,446 | 17.33% | | |

Note 2 Reserves and surplus

| Particulars | As at | As at | As at | As at |
|---|---------------|---------------|---------------|---------------|
| | 30 June 2024 | 31 March 2024 | 31 March 2023 | 31 March 2022 |
| a) Securities Premium | | | | |
| Balance as per the last financial statements | 113.73 | 113.73 | 113.73 | 113.73 |
| Add: Addition on account of Right issue | (113.73) | - | - | - |
| Balance as per end of the period / year (A) | - | 113.73 | 113.73 | 113.73 |
| b) Surplus in Profit and Loss Account | | | | |
| Balance as per the last financial statements | 461.43 | 132.21 | 72.80 | 0.67 |
| Add / Less: Profit / (Loss) for the period / year | 148.98 | 329.23 | 59.41 | 73.37 |
| Less: Earlier year gratuity provision | | | | (1.24) |
| Less: Issue of bonus shares | (405.93) | | - | - |
| Balance as per end of the period / year (C) | 204.48 | 461.43 | 132.21 | 72.80 |
| Total (A+B+C) | 204.48 | 575.16 | 245.93 | 186.53 |

Note 3 Borrowings (Refer Note 31 for terms and security details)

3a Long-term borrowings

| Particulars | As at | As at | As at | As at |
|--|-----------------|---------------|---------------|---------------|
| | 30 June 2024 | 31 March 2024 | 31 March 2023 | 31 March 2022 |
| Secured Loan | | | | |
| - From bank and financial institutions | 429.92 | 435.45 | 591.15 | 275.80 |
| | 429.92 | 435.45 | 591.15 | 275.80 |
| Unsecured Loan | | | | |
| - From Related Parties | 222.90 | 118.72 | 109.45 | 77.53 |
| - From bank and financial institutions | 400.99 | 62.66 | 112.76 | - |
| | 623.89 | 181.37 | 222.21 | 77.53 |
| Total | 1,053.81 | 616.82 | 813.36 | 353.34 |

3b Short-term borrowings

| Particulars | As at | As at | As at | As at |
|--|-----------------|---------------|---------------|---------------|
| | 30 June 2024 | 31 March 2024 | 31 March 2023 | 31 March 2022 |
| Secured Loan | | | | |
| - Current maturities of long term borrowings | 123.12 | 132.53 | 74.36 | 86.56 |
| - From bank and financial institutions | 839.79 | 493.57 | 413.00 | 263.84 |
| | 962.91 | 626.10 | 487.36 | 350.41 |
| Unsecured Loan | | | | |
| - From Related Parties | | | | |
| - From bank and financial institutions | 52.66 | 50.11 | 34.99 | - |
| | 52.66 | 50.11 | 34.99 | - |
| Total | 1,015.58 | 676.21 | 522.35 | 350.41 |
| The above amount includes: | | | | |
| Secured Borrowings | 1,392.83 | 1,061.54 | 1,078.51 | 626.21 |
| Unsecured Borrowings | 623.89 | 181.37 | 222.21 | 77.53 |

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 4 Deferred tax balances (Net)

| Particulars | As at 30 June 2024 | As at 31 March 2024 | As at 31 March 2023 | As at 31 March 2022 |
|---|-----------------------|------------------------|------------------------|------------------------|
| Opening balance (A) | 14.52 | 16.54 | 16.14 | 32.26 |
| (DTA)/DTL for the year (B) | 1.53 | (2.03) | 0.41 | (16.12) |
| Closing Balance of Deferred Tax (Asset)/ Liability (A+B) | 16.05 | 14.52 | 16.54 | 16.14 |

Note 5 Long term provisions

| Particulars | As at 30 June 2024 | As at 31 March 2024 | As at 31 March 2023 | As at 31 March 2022 |
|------------------------|-----------------------|------------------------|------------------------|------------------------|
| Provision for gratuity | 3.78 | 3.75 | 2.65 | 1.84 |
| Total | 3.78 | 3.75 | 2.65 | 1.84 |

Note 6 Trade payables

| Particulars | As at 30 June 2024 | As at 31 March 2024 | As at 31 March 2023 | As at 31 March 2022 |
|---------------------------------------|-----------------------|------------------------|------------------------|------------------------|
| For Goods & Services | | | | |
| - Micro, small and medium enterprises | - | - | - | - |
| - Others | 488.91 | 486.84 | 333.84 | 102.65 |
| | 488.91 | 486.84 | 333.84 | 102.65 |
| Further classified to: | | | | |
| - Related party | - | - | - | - |
| - Others | 488.91 | 486.84 | 333.84 | 102.65 |
| | 488.91 | 486.84 | 333.84 | 102.65 |

For Trade Payables Ageing, refer Notes to Accounts- Note 32

Note 7 Other current liabilities

| Particulars | As at 30 June 2024 | As at 31 March 2024 | As at 31 March 2023 | As at 31 March 2022 |
|-------------------------------|-----------------------|------------------------|------------------------|------------------------|
| Statutory dues | | | | |
| - Goods and Services Tax | | | | |
| - TDS | 1.45 | 3.88 | 3.15 | 2.95 |
| - Other statutory dues | 0.74 | 0.23 | - | - |
| Salary Payable | 3.13 | 3.80 | - | - |
| Expense Payable | - | - | - | 5.24 |
| Advance from customers | 9.44 | 19.06 | 16.61 | 10.92 |
| Advances Received from Others | 6.62 | 18.18 | 30.00 | |
| Total | 21.37 | 45.15 | 49.76 | 19.11 |

Note 8 Short term provisions

| Particulars | As at 30 June 2024 | As at 31 March 2024 | As at 31 March 2023 | As at 31 March 2022 |
|---|-----------------------|------------------------|------------------------|------------------------|
| Provision for gratuity | 0.16 | 0.16 | 0.10 | 0.04 |
| Provision for income tax(net of Advance tax and TDS) | 159.56 | 108.91 | 6.61 | 7.18 |
| Audit fees payable | 0.30 | 0.30 | 0.15 | 0.13 |
| Total | 160.02 | 109.37 | 6.86 | 7.35 |

Sawaliya Food Products Limited (CIN : U15400MP2014PLC032843)

Annexure V- Notes to Restated Financial Information

(Amount in INR lakhs, except for share data unless otherwise stated)

Note 9 Property, plant and equipment

| PARTICULARS | Factory Land | Factory Building | Plant & Machinery | Furniture & Fixtures | Office Equipments | Motor & Vehicals | Total |
|---|--------------|------------------|-------------------|----------------------|-------------------|------------------|---------------|
| As at 30 June 2024 | | | | | | | |
| GROSS CARRYING AMOUNT | | | | | | | |
| Opening gross carrying amount | 65.96 | 186.87 | 552.31 | 23.25 | 2.98 | 64.57 | 895.94 |
| Additions | - | - | - | - | - | - | - |
| Disposals/Adjustment | - | - | - | - | - | - | - |
| Closing Gross Carrying Amount | 65.96 | 186.87 | 552.31 | 23.25 | 2.98 | 64.57 | 895.94 |
| ACCUMULATED DEPRECIATION | | | | | | | |
| Opening accumulated depreciation | - | 39.70 | 145.29 | 17.71 | 0.88 | 38.02 | 241.60 |
| Depreciation charged during the year | - | 1.48 | 9.62 | 0.45 | 0.14 | 2.08 | 13.76 |
| Disposals/Adjustments | - | - | - | - | - | - | - |
| Closing Accumulated Depreciation | - | 41.18 | 154.90 | 18.16 | 1.02 | 40.09 | 255.36 |
| Net Carrying Amount | 65.96 | 145.69 | 397.40 | 5.09 | 1.96 | 24.47 | 640.58 |
| PARTICULARS | Factory Land | Factory Building | Plant & Machinery | Furniture & Fixtures | Office Equipments | Motor & Vehicals | Total |
| As at 31 March 2024 | | | | | | | |
| GROSS CARRYING AMOUNT | | | | | | | |
| Opening gross carrying amount | 65.96 | 186.87 | 245.34 | 25.35 | 0.83 | 63.94 | 588.29 |
| Additions | - | - | 437.97 | - | 2.16 | 0.63 | 440.76 |
| Disposals/Adjustment | - | - | 131.00 | 2.10 | - | - | 133.10 |
| Closing Gross Carrying Amount | 65.96 | 186.87 | 552.31 | 23.25 | 2.98 | 64.57 | 895.94 |
| ACCUMULATED DEPRECIATION | | | | | | | |
| Opening accumulated depreciation | - | 33.79 | 106.82 | 15.93 | 0.31 | 29.71 | 186.56 |
| Depreciation charged during the year | - | 5.92 | 38.47 | 1.78 | 0.57 | 8.31 | 55.04 |
| Disposals/Adjustments | - | - | - | - | - | - | - |
| Closing Accumulated Depreciation | - | 39.70 | 145.29 | 17.71 | 0.88 | 38.02 | 241.60 |
| Net Carrying Amount | 65.96 | 147.17 | 407.02 | 5.54 | 2.10 | 26.55 | 654.34 |
| PARTICULARS | Factory Land | Factory Building | Plant & Machinery | Furniture & Fixtures | Office Equipments | Motor & Vehicals | Total |
| As at 31 March 2023 | | | | | | | |
| GROSS CARRYING AMOUNT | | | | | | | |
| Opening gross carrying amount | 65.96 | 186.87 | 310.90 | 25.35 | 0.83 | 40.94 | 630.85 |
| Additions | - | - | - | - | - | 23.00 | 23.00 |
| Disposals/Adjustment | - | - | 65.56 | - | - | - | 65.56 |
| Closing Gross Carrying Amount | 65.96 | 186.87 | 245.34 | 25.35 | 0.83 | 63.94 | 588.29 |
| ACCUMULATED DEPRECIATION | | | | | | | |
| Opening accumulated depreciation | - | 27.87 | 87.56 | 13.52 | 0.16 | 21.51 | 150.62 |
| Depreciation charged during the year | - | 5.92 | 19.25 | 2.41 | 0.16 | 8.21 | 35.94 |
| Disposals/Adjustments | - | - | - | - | - | - | - |
| Closing Accumulated Depreciation | - | 33.79 | 106.82 | 15.93 | 0.31 | 29.71 | 186.56 |
| Net Carrying Amount | 65.96 | 153.09 | 138.52 | 9.42 | 0.51 | 34.22 | 401.73 |

| PARTICULARS | Factory Land | Factory Building | Plant & Machinery | Furniture & Fixtures | Office Equipments | Motor & Vehicals | Total |
|---|--------------|------------------|-------------------|----------------------|-------------------|------------------|---------------|
| <i>As at 31 March 2022</i> | | | | | | | |
| GROSS CARRYING AMOUNT | | | | | | | |
| Opening gross carrying amount | 65.96 | 159.43 | 273.36 | 25.35 | - | 40.94 | 565.04 |
| Additions | - | 27.44 | 76.69 | - | 0.83 | - | 104.96 |
| Disposals/Adjustment | - | - | 39.15 | - | - | - | 39.15 |
| Closing Gross Carrying Amount | 65.96 | 186.87 | 310.90 | 25.35 | 0.83 | 40.94 | 630.85 |
| ACCUMULATED DEPRECIATION | | | | | | | |
| Opening accumulated depreciation | - | 21.95 | 65.35 | 11.11 | - | 16.94 | 115.36 |
| Depreciation charged during the year | - | 5.92 | 22.21 | 2.41 | 0.16 | 4.56 | 35.26 |
| Disposals/Adjustments | - | - | - | - | - | - | - |
| Closing Accumulated Depreciation | - | 27.87 | 87.56 | 13.52 | 0.16 | 21.51 | 150.62 |
| Net Carrying Amount | 65.96 | 159.00 | 223.33 | 11.83 | 0.67 | 19.43 | 480.23 |

Note 9a Capital work in Progress

| Particulars | Amount in CWIP for a period of | | | | Total |
|--------------------------------|--------------------------------|----------|----------|------------------|--------|
| | Less than 1 year | 1-2 year | 2-3 year | More than 3 Year | |
| Projects in progress | 176.56 | - | - | - | 176.56 |
| Projects temporarily suspended | - | - | - | - | - |

At the end of the period As atAs at 30 June 2024

| Particulars | Amount in CWIP for a period of | | | | Total |
|--------------------------------|--------------------------------|----------|----------|------------------|-------|
| | Less than 1 year | 1-2 year | 2-3 year | More than 3 Year | |
| Projects in progress | - | - | - | - | - |
| Projects temporarily suspended | - | - | - | - | - |

At the end of the period As atAs at 31 March 2024

| Particulars | Amount in CWIP for a period of | | | | Total |
|--------------------------------|--------------------------------|----------|----------|------------------|--------|
| | Less than 1 year | 1-2 year | 2-3 year | More than 3 Year | |
| Projects in progress | 398.62 | - | - | - | 398.62 |
| Projects temporarily suspended | - | - | - | - | - |

At the end of the period As atAs at 31 March 2023

| Particulars | Amount in CWIP for a period of | | | | Total |
|--------------------------------|--------------------------------|----------|----------|------------------|-------|
| | Less than 1 year | 1-2 year | 2-3 year | More than 3 Year | |
| Projects in progress | - | - | - | - | - |
| Projects temporarily suspended | - | - | - | - | - |

At the end of the period As atAs at 31 March 2022

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Sawaliya Food Products Limited (CIN : U15400MP2014PLC032843)

Annexure V- Notes to Restated Financial Information

(Amount in INR lakhs, except for share data unless otherwise stated)

Note 10 Non-current investments

| Particulars | As at | | As at | |
|-------------------------|--------------|---------------|---------------|---------------|
| | 30 June 2024 | 31 March 2024 | 31 March 2023 | 31 March 2022 |
| Fixed Deposit with Bank | 2.59 | 2.59 | 27.44 | 8.52 |
| Total | 2.59 | 2.59 | 27.44 | 8.52 |

Note 11 Long term loans and advances

| Particulars | As at | | As at | |
|--------------------------------|--------------|---------------|---------------|---------------|
| | 30 June 2024 | 31 March 2024 | 31 March 2023 | 31 March 2022 |
| Balance with Revenue authority | 74.50 | 57.01 | 46.22 | - |
| Total | 74.50 | 57.01 | 46.22 | - |

Note 12 Inventories

| Particulars | As at | | As at | |
|----------------|-----------------|-----------------|---------------|---------------|
| | 30 June 2024 | 31 March 2024 | 31 March 2023 | 31 March 2022 |
| Finished Goods | 1,437.96 | 1,313.82 | 851.36 | 275.79 |
| Total | 1,437.96 | 1,313.82 | 851.36 | 275.79 |

Note 13 Trade receivables

| Particulars | As at | | As at | |
|---------------------------------|---------------|---------------|---------------|---------------|
| | 30 June 2024 | 31 March 2024 | 31 March 2023 | 31 March 2022 |
| Unsecured | | | | |
| -Considered good | 736.46 | 283.49 | 58.95 | 207.41 |
| Less : | | | | |
| Provision for doubtful debts | - | - | - | - |
| | 736.46 | 283.49 | 58.95 | 207.41 |
| Further classified as: | | | | |
| Receivable from related parties | - | - | - | - |
| Receivable from others | 736.46 | 283.49 | 58.95 | 207.41 |
| | 736.46 | 283.49 | 58.95 | 207.41 |

For Trade Receivables Ageing, refer Notes to Accounts- Note 33

Note 14 Cash and cash equivalents

| Particulars | As at | | As at | |
|---|--------------|---------------|---------------|---------------|
| | 30 June 2024 | 31 March 2024 | 31 March 2023 | 31 March 2022 |
| Cash on hand | 8.65 | 11.68 | 10.37 | 5.34 |
| Balances with banks | | | | |
| - In Current Accounts | 11.77 | 15.50 | 0.53 | 0.05 |
| - In Deposit Account Matutity less than 3 Month | - | 60.56 | - | - |
| Total | 20.42 | 87.74 | 10.90 | 5.38 |

Note 15 Short term loans and advances

| Particulars | As at | | As at | |
|------------------------|---------------|---------------|---------------|---------------|
| | 30 June 2024 | 31 March 2024 | 31 March 2023 | 31 March 2022 |
| Advances Given | | | | |
| - Related parties | - | - | - | - |
| - Suppliers and Others | 389.44 | 122.62 | 195.23 | 54.92 |
| Total | 389.44 | 122.62 | 195.23 | 54.92 |

Note 16 Other current assets

| Particulars | As at | | As at | |
|-------------------|--------------|---------------|---------------|---------------|
| | 30 June 2024 | 31 March 2024 | 31 March 2023 | 31 March 2022 |
| Security Deposit | 17.53 | 17.53 | 11.95 | 17.13 |
| Prepaid insurance | - | 1.04 | 1.28 | 0.34 |
| IPO Expense | - | - | - | - |
| Total | 17.53 | 18.57 | 13.23 | 17.48 |

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Sawaliya Food Products Limited (CIN : U15400MP2014PLC032843)

Annexure V- Notes to Restated Financial Information

(Amount in INR lakhs, except for share data unless otherwise stated)

Note 17 Revenue from operations

| Particulars | For the period ended 30 June 2024 | For the year ended 31 March 2024 | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|--------------|--------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| Sales | 742.53 | 2,339.78 | 1,508.87 | 1,356.26 |
| Total | 742.53 | 2,339.78 | 1,508.87 | 1,356.26 |

Note 18 Other income

| Particulars | For the period ended 30 June 2024 | For the year ended 31 March 2024 | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|--|--------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| Discount on Purchase A/c | - | 16.71 | 8.26 | 3.05 |
| Interest Subsidy on Term Loan Interest | - | - | - | 3.04 |
| Interest Received | 0.87 | 3.77 | 1.49 | 1.96 |
| Forex Gain | - | - | 1.03 | - |
| Export Benefit | - | 6.10 | 10.29 | - |
| Other Miscellaneous Income | 8.51 | 0.69 | 0.32 | 0.32 |
| Total | 9.38 | 27.26 | 21.38 | 8.38 |

Note 19 Cost of raw material consumed

| Particulars | For the period ended 30 June 2024 | For the year ended 31 March 2024 | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---------------------|--------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| Opening Stock | - | - | - | - |
| Add: Purchases | 492.06 | 1,723.80 | 1,398.95 | 786.49 |
| less: Closing Stock | - | - | - | - |
| Total | 492.06 | 1,723.80 | 1,398.95 | 786.49 |

Note 20 Changes in inventories of finished goods, work-in-progress and stock-in-trade

| Particulars | For the period ended 30 June 2024 | For the year ended 31 March 2024 | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---------------------------------|--------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| Opening Stock of Finished Goods | 1,313.82 | 851.36 | 275.79 | 239.01 |
| Less: | | | | |
| Closing Stock of Finished Goods | 1,437.96 | 1,313.82 | 851.36 | 275.79 |
| Total | (124.14) | (462.45) | (575.57) | (36.78) |

Note 21 Employee benefit expenses

| Particulars | For the period ended 30 June 2024 | For the year ended 31 March 2024 | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|-----------------------------|--------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| a) Salary to Staff | 10.66 | 37.56 | 65.95 | 43.53 |
| b) Salary to Workers | 6.76 | 30.57 | 22.42 | 47.59 |
| c) Director Remuneration | 27.00 | 48.00 | 24.00 | 21.00 |
| d) Bonus | - | 3.10 | 1.03 | 4.19 |
| e) Gratuity | 0.03 | 1.17 | 0.87 | 0.63 |
| f) Employee welfare & Other | 0.13 | 1.36 | 0.77 | 0.98 |
| Total | 44.57 | 121.75 | 115.05 | 117.92 |

Note 22 Finance cost

| Particulars | For the period ended 30 June 2024 | For the year ended 31 March 2024 | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---------------------------------------|--------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| a) Interest to financial institutions | 28.97 | 122.02 | 66.57 | 42.31 |
| b) Bank Commission & Charges | 25.23 | 4.49 | 7.52 | 2.25 |
| Total | 54.20 | 126.51 | 74.09 | 44.56 |

Note 23 Depreciation & amortization expense

| Particulars | For the period ended 30 June 2024 | For the year ended 31 March 2024 | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|--------------|--------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| Depreciation | 13.76 | 55.04 | 35.94 | 35.26 |
| Total | 13.76 | 55.04 | 35.94 | 35.26 |

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 24 Other expenses

| Particulars | For the period ended 30 June 2024 | For the year ended 31 March 2024 | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|--------------------------------|--------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| Cutting & Cleaning Expenses | 2.37 | 25.01 | 2.00 | 2.54 |
| Custom Duty & Charges | - | 5.04 | 10.34 | 0.37 |
| Cold Storage | 2.17 | 3.22 | 26.39 | 21.30 |
| Water Expenses | - | 6.49 | - | - |
| Repair & Maintenance | 0.58 | 24.01 | 27.66 | 45.73 |
| Freight Inward | - | 0.37 | 26.60 | 16.73 |
| Carrot Farming Labour Exp. | - | 19.05 | | |
| Packing material | 0.58 | 4.31 | 4.81 | 15.33 |
| Administrative Expenses | | | | |
| Investor meet Expenses | | 28.00 | | |
| Insurance | 1.46 | 2.80 | 1.63 | 1.57 |
| Commission & Brokrage | 0.41 | 1.78 | 0.56 | |
| Consultancy & Legal fees | 3.02 | 1.86 | 2.54 | 2.09 |
| Factory Expenses | 1.43 | 5.38 | 2.99 | 4.10 |
| License Fees & Taxes | - | 3.16 | 0.09 | 0.75 |
| Forex Expenses | - | - | 5.32 | 12.13 |
| Travelling Expenses | 8.87 | 18.03 | 8.93 | 3.16 |
| Audit fees | 0.08 | 0.30 | 0.27 | 0.13 |
| Interest Paid for Deposit | 3.21 | 14.62 | 7.82 | 10.73 |
| Donation | - | 0.01 | 1.00 | |
| ROC Charges | 10.30 | - | - | - |
| Misc. Expenses | 28.35 | 121.10 | 122.45 | 91.41 |
| Selling and Distribution | 0.94 | 8.66 | 6.84 | 6.78 |
| Freight & Hammali | 6.50 | 65.81 | 151.17 | 113.05 |
| Total | 70.27 | 359.00 | 409.40 | 347.91 |

Note 24A Audit remuneration

| Particulars | For the period ended 30 June 2024 | For the year ended 31 March 2024 | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|-------------|--------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| - For audit | 0.08 | 0.30 | 0.27 | 0.13 |
| | 0.08 | 0.30 | 0.27 | 0.13 |

Annexure V- Notes to Restated Financial Information

(Amount in INR lakhs, except for share data unless otherwise stated)

Note 25 Statement Of Related Party Transaction

1. Names of the related parties with whom transaction were carried out during the years and description of relationship:

| Sr. No. | Name | Description of Relationship |
|---------|------------------------|-----------------------------|
| 1 | Priya Somani | Director From 25/05/2024 |
| 2 | Krishnakant Somani | Director's Father |
| 3 | Hansa Somani | Director's Mother |
| 4 | Krishnakant Somani HUF | Director's Father HUF |
| 5 | Raghav Somani | Director |
| 6 | Madhav Somani | Director |
| 7 | Vrinda Baheti | Director's Wife |

2. Transaction with Key Management Personnel/Directors

| Sr. No. | Nature of Transaction | For the period ended 30 June 2024 | For the year ended 31 March 2024 | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|----------|------------------------|--------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| 1 | Remuneration | | | | |
| | Raghav Somani | 6.00 | 12.00 | 12.00 | 10.50 |
| | Madhav Somani | 6.00 | 12.00 | 12.00 | 10.50 |
| | Priya Somani | 3.00 | | | |
| 2 | Salary | | | | |
| | Hansa Somani | 3.00 | 6.00 | 6.00 | 6.00 |
| | Krishnakant Somani | 3.00 | 6.00 | 6.00 | 6.00 |
| | Priya Somani | - | 6.00 | 6.00 | 4.75 |
| | Vrinda Baheti | 3.00 | - | - | - |
| 3 | Loans Taken | | | | |
| | Hansa Somani | 2.93 | 10.12 | 12.16 | 26.30 |
| | Krishnakant Somani | 27.93 | 42.86 | 24.94 | 13.92 |
| | Krishnakant Somani HUF | - | 0.42 | 0.31 | 12.29 |
| | Priya Somani | 2.93 | 7.32 | 5.93 | 2.76 |
| | Raghav Somani | 61.36 | 35.99 | 27.95 | 9.80 |
| | Madhav Somani | 59.72 | 9.85 | 6.23 | - |
| | Vrinda Baheti | 2.93 | - | - | - |
| 4 | Loans Repaid | | | | |
| | Priya Somani | - | 0.53 | 2.75 | 4.00 |
| | Krishnakant Somani | - | 55.00 | 14.50 | 58.50 |
| | Krishnakant Somani HUF | - | - | - | 8.00 |
| | Hansa Somani | - | 2.75 | 3.50 | 45.00 |
| | Raghav Somani | - | 37.46 | 20.15 | 27.55 |
| | Madhav Somani | - | 1.56 | 4.70 | - |
| 5 | Interest paid | | | | |
| | Hansa Somani | - | 1.80 | 1.34 | 2.55 |
| | Krishnakant Somani | - | 2.63 | 2.21 | 4.36 |
| | Priya Somani | - | 1.03 | 0.53 | 0.74 |
| | Krishnakant Somani HUF | - | 0.46 | 0.34 | 0.32 |

3. Balances Outstanding at the end of the Year

| Sr. No. | Particulars | As at 30 June 2024 | As at 31 March 2024 | As at 31 March 2023 | As at 31 March 2022 |
|----------|--------------------------|-----------------------|------------------------|------------------------|------------------------|
| 1 | Unsecured Loans | | | | |
| | Raghav Somani | 78.13 | 38.84 | 40.30 | 32.50 |
| | Madhav Somani | 65.54 | 9.82 | 1.53 | - |
| | Hansa Somani | 28.18 | 25.25 | 17.88 | 9.22 |
| | Krishnakant S Somani HUF | 5.02 | 5.02 | 4.60 | 4.29 |
| | Krishnakant S Somani | 23.46 | 22.98 | 35.12 | 24.68 |
| | Priya Somani | 19.64 | 16.81 | 10.02 | 6.84 |
| | Vrinda Baheti | 2.93 | - | - | - |

Note 26 Statement Of Tax Shelter

| Particulars | As at | | As at | |
|---|---------------|---------------|---------------|----------------|
| | 30 June 2024 | 31 March 2024 | 31 March 2023 | 31 March 2022 |
| A Profit before taxes as restated | 201.19 | 443.39 | 72.40 | 69.27 |
| - Taxable at normal Rate | 201.19 | 443.39 | 72.40 | 69.27 |
| - Taxable at special Rate | | | | |
| B Normal Tax Rate Applicable % | 26.00% | 26.00% | 26.00% | 26.00% |
| MAT Tax Rate Applicable % | 15.60% | 15.60% | 15.60% | 15.60% |
| C Tax Impact as per Normal Tax rate (A*B) | 52.31 | 115.28 | 18.82 | 18.01 |
| Tax Impact as per MAT Tax rate (A*B) | 31.39 | 69.17 | 11.29 | 10.81 |
| D Adjustments: | | | | |
| Add: | | | | |
| Amounts disallowable under section 40 | | | 1.00 | - |
| Depreciation as per Companies Act | 13.76 | 55.04 | 35.94 | 35.26 |
| Provision of gratuity | 0.03 | 1.17 | 0.87 | 0.63 |
| Less: | | | | |
| Depreciation as per Income Tax Act | 20.06 | 47.22 | 37.74 | 44.72 |
| Deduction under Chapter VIA | | | 1.00 | - |
| Unabsorbed Depreciation | | | - | 27.69 |
| Total | (6.27) | 8.99 | (0.93) | (36.52) |
| E Unabsorbed Loss/(Carried Forward Loss Set off) | - | - | - | - |
| F Net Adjustment (F) = (D+E) | (6.27) | 8.99 | (0.93) | (36.52) |
| G Tax Expenses/ (Saving) thereon | (1.63) | 2.34 | (0.24) | (9.50) |
| H Tax Liability, After Considering the effect of Adjustment As per Normal Provision (C +G) | 50.68 | 117.62 | 18.58 | 8.52 |
| I Tax Liability As per MAT(C +G) | 31.39 | 69.17 | 11.29 | 10.81 |
| J Net tax (Higher of H or I) | 50.68 | 117.62 | 18.58 | 10.81 |
| K MAT Credit utilised as per income tax computation | - | (1.43) | (7.15) | - |
| L Interest | - | - | 1.16 | 1.22 |
| M Deferred Tax | 1.53 | (2.03) | 0.41 | (16.12) |
| N Total Tax expenses (H+I) | 52.21 | 114.17 | 12.99 | (4.10) |

STATEMENT OF DEFERRED TAX (ASSETS) / LIABILITIES AS RESTATED

| Particulars | As at | | | |
|---|---------------|---------------|---------------|----------------|
| | 30 June 2024 | 31 March 2024 | 31 March 2023 | 31 March 2022 |
| A WDV as per Companies Act, 2013 | 574.62 | 588.38 | 335.76 | 414.27 |
| B WDV as per Income tax Act, 1961 | 512.87 | 531.38 | 271.26 | 351.56 |
| Difference in WDV (A-B) | 61.74 | 56.99 | 64.51 | 62.70 |
| C Deferred Tax (Asset)/ Liability | 16.05 | 14.82 | 16.77 | 16.30 |
| Gratuity Expenses | 0.03 | 1.17 | 0.87 | 0.63 |
| D Total | 0.03 | 1.17 | 0.87 | 0.63 |
| E Deferred Tax (Asset)/ Liability (E) | (0.01) | (0.30) | (0.23) | (0.16) |
| F Total Deferred Tax (Asset)/ Liability (C+E) | 16.05 | 14.52 | 16.54 | 16.14 |
| Deferred Tax (Asset)/ Liability end of the year | 16.05 | 14.52 | 16.54 | 16.14 |
| Deferred Tax (Assets)/ Liability as per Balance sheet of Previous Year | 14.52 | 16.54 | 16.14 | 32.26 |
| Deferred Tax (Assets)/ Liability transfer to P & L | 1.53 | (2.03) | 0.41 | (16.12) |

Notes:

- The aforesaid statement of tax shelters has been prepared as per the restated summary statement of profits and losses of the Company. The permanent/timing differences have been computed considering the acknowledged copies of the income-tax return respective years stated above.
- The figures for the year ended March 31, 2024 and period ended June 30, 2024 are based on the provisional computation of Total Income prepared by the Company.
- The effect of Tax Shelter i.e. short/excess provision for Income Tax has not been given effect in Annexure II - Restated Statement of Profit and Loss account. Provision for Income Tax given in Annexure II is based on the Income Tax Return/Audited Financial Statement only.
- The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.

Sawaliya Food Products Limited (CIN : U15400MP2014PLC032843)**Annexure V- Notes to Restated Financial Information***(Amount in INR lakhs, except for share data unless otherwise stated)***Note 27 Statement Of Capitalisation**

| Particulars | Pre Issue 30 June 2024 | Post Issue |
|--|-----------------------------------|-------------------|
| | | [.] |
| Debt | | |
| Short Term Debt | 892.46 | |
| Long Term Debt (Including current maturity) | 1,176.93 | |
| Total Debt | 2,069.39 | |
| Shareholders' Fund (Equity) | | |
| Share Capital | 532.03 | |
| Reserves & Surplus | 204.48 | |
| Less: Miscellaneous Expenses not w/off | - | |
| Total Shareholders' Fund (Equity) | 736.52 | |
| Long Term Debt/Equity | 1.60 | |
| Total Debt/Equity | 2.81 | |

Notes:

1. Short term debts represents the debts which are expected to be paid/payable within 12 months and excludes installment of term loans repayable more than 12 months.
2. Long term debts represent debts other than Short term debts as defined above
3. The figures disclosed above are based on restated statement of assets and liabilities of the Company as at June 30, 2024. Effect of Increase in Capital after June 30, 2024 not taken.

Sawaliya Food Products Limited (CIN : U15400MP2014PLC032843)

Annexure V- Notes to Restated Financial Information

(Amount in INR lakhs, except for share data unless otherwise stated)

Note 28 Statement Of Mandatory Accounting Ratios

| Particulars | As at | As at | As at | As at |
|--|--------------|---------------|---------------|---------------|
| | 30 June 2024 | 31 March 2024 | 31 March 2023 | 31 March 2022 |
| Net worth (A) | 736.52 | 587.53 | 258.31 | 198.90 |
| Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) | 259.78 | 597.68 | 161.05 | 140.71 |
| Restated profit after tax (B) | 148.98 | 329.23 | 59.41 | 73.37 |
| Number of equity share outstanding as on the end of year/period - Refer Note 1 | 53,20,304 | 1,23,728 | 1,23,728 | 1,23,728 |
| Weighted average number of equity shares outstanding during the year/period (D) - Refer Note 1 | 73,15,420 | 73,15,420 | 73,15,420 | 73,15,420 |
| Weighted average number of diluted equity shares outstanding during the year/period (E) - Refer Note 1 | 73,15,420 | 73,15,420 | 73,15,420 | 73,15,420 |
| Basic earning per share (INR) (B/D) | 2.04 | 4.50 | 0.81 | 1.00 |
| Diluted earning per share (INR) (B/E) | 2.04 | 4.50 | 0.81 | 1.00 |
| Return on net worth (%) (B/A) | 20.23% | 56.04% | 23.00% | 36.89% |
| Net asset value per share - (A/C) (Face value of Rs. 10 each) | 10.07 | 8.03 | 3.53 | 2.72 |

Note:

1) The ratios have been computed as below:

(a) We have also considered bonus issued during the quarter ending June 2024, and also consider bonus issued as on september 02, 2024 at ratio of 3:8, while calculation of EPS of March 2024,, 2023 and 2022

(a) Basic earnings per share (₹): Net profit after tax as restated for calculating basic EPS/ Weighted average number of equity shares outstanding at the end of the period/ year

(b) Diluted earnings per share (₹): Net profit after tax as restated for calculating diluted EPS/ Weighted average number of equity shares outstanding at the end of the period/ year for diluted EPS

(c) Return on net worth (%) : Net profit after tax (as restated)/ Net worth at the end of the period/ year

(d) Net assets value per share: Net Worth at the end of the period or year/ Total number of equity shares outstanding at the end of the period/ year

2) Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of equity shares issued during the year multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year.

3) Net worth for ratios mentioned in note 1(c) and 1(d) is = Equity share capital + Reserves and surplus (including, Securities Premium, General Reserve and surplus in statement of profit and loss).

4) The figures disclosed above are based on the restated summary statements of the Company.

5) EBITDA has been calculated as Profit before tax + Depreciation + Interest Expenses - Other Income

Annexure V- Notes to Restated Financial Information

(Amount in INR lakhs, except for share data unless otherwise stated)

Note 29 Financial ratios

| Particulars | Unit of measurement | Numerator | Denominator | #REF! | #REF! | % Change | Remarks |
|---------------------------------|---------------------|---|--|---------------|---------------|--------------------------------|---|
| | | | | 30 June 2024 | 31 March 2024 | June 30, 2024 - March 31, 2024 | June 30, 2024 - March 31, 2024 |
| Current ratio | Times | Current assets | Current liabilities | 1.54 | 1.39 | 11.34% | |
| Debt equity ratio | Times | Total debt (including current maturities of long term borrowings) | Networth | 2.81 | 2.20 | 27.67% | |
| Debt service coverage ratio | Times | Earnings for debt service = Interest service = Net profit & lease payments after taxes + Non-cash operating expenses + Interest expense | + principal repayments | 0.20 | 0.64 | -68.13% | |
| Return on equity ratio | Percentage | Net profits after taxes | Average networth | 22.50% | 77.85% | -71.09% | |
| Inventory turnover ratio | Times | Revenue from operations | Average inventory | 0.54 | 2.16 | -75.03% | NA |
| Trade receivable turnover ratio | Times | Revenue from operations | Average trade receivable | 1.46 | 13.66 | -89.35% | |
| Trade payable turnover ratio | Times | Total purchases | Average trade payables | 1.01 | 4.20 | -75.99% | |
| Net capital turnover ratio | Times | Revenue from operations | Working capital = current assets – current liabilities | 0.81 | 4.60 | -82.38% | |
| Net profit ratio | Percentage | Net profit after tax | Revenue from operations | 20.06% | 14.07% | 42.59% | |
| Return on capital employed | Percentage | Earnings before interest and taxes | Capital employed = networth + Long Term Debt | 14.27% | 47.32% | -69.85% | |
| Return on investment | Percentage | Net profit after tax | Total Asset | 4.26% | 12.96% | -67.12% | |
| Particulars | Unit of measurement | Numerator | Denominator | #REF! | #REF! | % Change | Remarks |
| | | | | 31 March 2024 | 31 March 2023 | FY 24 - FY 23 | FY 23 - FY 22 |
| Current ratio | Times | Current assets | Current liabilities | 1.39 | 1.24 | 12.00% | NA |
| Debt equity ratio | Times | Total debt (including current maturities of long term borrowings) | Networth | 2.20 | 5.17 | -57.44% | Due to increase in turnover and increase in PAT of company for FY 2024 |
| Debt service coverage ratio | Times | Earnings for debt service = Interest service = Net profit & lease payments after taxes + Non-cash operating expenses + Interest expense | + principal repayments | 0.64 | 0.28 | 123.99% | Due to increase in turnover and increase in PAT of company for FY 2024 compare to debt |
| Return on equity ratio | Percentage | Net profits after taxes | Average networth | 77.85% | 25.99% | 199.56% | Due to increase in turnover and increase in PAT of company for FY 2024 |
| Inventory turnover ratio | Times | Revenue from operations | Average inventory | 2.16 | 2.68 | -19.27% | |
| Trade receivable turnover ratio | Times | Revenue from operations | Average trade receivable | 13.66 | 11.33 | 20.62% | |
| Trade payable turnover ratio | Times | Total purchases | Average trade payables | 4.20 | 6.41 | -34.46% | Due to increase in purchase is less than increase in average trade payable compare to fy 2023 |
| Net capital turnover ratio | Times | Revenue from operations | Working capital = current assets – current liabilities | 4.60 | 6.96 | -33.89% | |
| Net profit ratio | Percentage | Net profit after tax | Revenue from operations | 14.07% | 3.94% | 257.39% | Dur to increase in turnover and PAT for FY 2024 |
| Return on capital employed | Percentage | Earnings before interest and taxes | Capital employed = networth + Long Term Debt | 47.32% | 13.67% | 246.18% | Due to increase in EBIT compare to previous year |
| Return on investment | Percentage | Net profit after tax | Total Asset | 12.96% | 2.96% | 337.15% | Due to increase in turnover it leads to increase in Net |

| Particulars | Unit of measurement | Numerator | Denominator | #REF! 31 March 2023 | #REF! 31 March 2022 | % Change FY 23 - FY 22 | Remarks FY 23 - FY 22 |
|---------------------------------|---------------------|--|---|------------------------|------------------------|---------------------------|--|
| Current ratio | Times | Current assets | Current Liabilities | 1.24 | 1.17 | 5.79% | |
| Debt equity ratio | Times | Total debt (including current maturities of long term borrowings and accrued interest excluding lease liabilities) | Networth | 5.17 | 3.54 | 46.15% | Due to increase in turnover and increase in PAT is more than increase in debt of company for FY 2023 |
| Debt service coverage ratio | Times | Earnings for debt service = Net profit after taxes + Non-cash operating expenses + Interest expense | Debt service = Interest & lease payments + principal repayments | 0.28 | 0.39 | -26.76% | |
| Return on equity ratio | Percentage | Net profits after taxes | Average Shareholder's Equity | 25.99% | 45.06% | -42.33% | |
| Inventory turnover ratio | Times | Revenue from Operations | Average Inventory | 2.68 | 5.27 | -49.19% | Due to increase in Revenue is less than increase in average Inventory compare to fy 2022 |
| Trade receivable turnover ratio | Times | Net credit sales = Gross credit sales - return | Average Trade Receivable | 11.33 | 7.35 | 54.09% | Due to increase in Revenue is less than increase in average Inventory compare to fy 2022 |
| Trade payable turnover ratio | Times | Total purchases of raw material | Average Trade Payables | 6.41 | 8.72 | -26.52% | Due to increase in purchase is less than increase in average trade payable compare to fy 2022 |
| Net capital turnover ratio | Times | Net sales = total sales - sales return | Working capital = Current assets - Current liabilities* | 6.96 | 16.65 | -58.21% | Due to increase in working capital of the company for FY 23 compare to FY 22 |
| Net profit ratio | Percentage | Net profit after tax | Net sales = Total sales - sales return | 3.94% | 5.41% | -27.22% | |
| Return on capital employed | Percentage | Earnings before interest and taxes | Capital employed = networth + Long Term Debt | 13.67% | 20.61% | -33.69% | Due to increase in EBIT compare to previous year |
| Return on investment | Percentage | Net profit after tax | Total Asset | 2.96% | 6.99% | -57.58% | Due to increase in turnover it leads to increase in Net profit |

Annexure V- Notes to Restated Financial Information

(Amount in INR lakhs, except for share data unless otherwise stated)

Additional notes to Restated Financial Information**Note 30 Statement of Adjustments in the financial statements****(a) Impact of restatement adjustments**

Below mentioned is the summary of results of restatement adjustments made to the audited financial statements of the respective period/years and its impact on profits.

| Particulars | As at 30 June 2024 | As at 31 March 2024 | As at 31 March 2023 | As at 31 March 2022 |
|---|-----------------------|------------------------|---------------------------|------------------------|
| Net profit before tax as per audited financial statements | 201.19 | 440.64 | 73.27 | 69.90 |
| Restatement adjustments: | | | | |
| Provision for gratuity | | - | (0.87) | (0.63) |
| Previous year gratuity expense | | 2.75 | | |
| | - | 2.75 | (0.87) | (0.63) |
| Restated net profit before tax | 201.19 | 443.39 | 72.40 | 69.27 |

(a) Reconciliation of restated Equity/ Net worth

| Particulars | As at 30 June 2024 | As at 31 March 2024 | As at 31 March 2023 | As at 31 March 2022 |
|--|-----------------------|------------------------|---------------------------|------------------------|
| Equity/ Net worth as per audited financials | 736.37 | 588.00 | 250.60 | 192.60 |
| Restatement adjustments: | | | | |
| Provision of Tax | 0.15 | (0.47) | (24.61) | (12.02) |
| Transfer of provision related to previous year | | - | 14.81 | - |
| Provision of Gratuity earlier year | | - | (2.75) | (1.88) |
| Deferred tax Adjustment | | - | 20.26 | 20.19 |
| | 0.15 | (0.47) | 7.71 | 6.30 |
| Restated Equity/ Net worth | 736.52 | 587.53 | 258.31 | 198.90 |

(b) Explanatory notes for the restatement adjustments

(i) The amount relating to the income/ expenses have been adjusted in the year to which the same relates to and under which head the same related to.

(ii) The company has provided excess provision of tax in the year in which income tax return has been filed and has been adjusted in prior period items in financials but in the restated financials it has been adjusted in the same financial year where it relates to.

(iii) Appropriate adjustments have been made in the restated consolidated financial statements, wherever required, by reclassification of the corresponding item of income, expenses, assets and liabilities, in order to bring them in line with the groupings as per audited financials of the company for all the years.

Annexure V- Notes to Restated Financial Information

(Amount in INR lakhs, except for share data unless otherwise stated)

Note 31 Statement of terms of loans and security details

| Name of Lender/Fund | Nature of Facility | Date of Issue | Sanctioned Amount | Securities offered | Re-Payment Period | Rate of Interest | Outstanding 30 June 2024 |
|---|--------------------|---------------|-------------------|--------------------|-------------------|------------------|--------------------------|
| <u>Secured Loans</u> | | | | | | | |
| State Bank of India | Term Loan 01 | 18/05/2024 | 51.00 | As per Note 1 | 47 | 10.15% | 49.89 |
| State Bank of India | Term Loan 02 | 18/05/2024 | 89.00 | As per Note 1 | 58 | 10.15% | 87.42 |
| State Bank of India | Term Loan 03 | 18/05/2024 | 347.00 | As per Note 1 | 71 | 10.15% | 341.93 |
| State Bank of India | Term Loan 04 | 18/05/2024 | 76.00 | As per Note 1 | 35 | 10.15% | 73.80 |
| Total | | | | | | | 553.04 |
| <u>Cash Credit:</u> | | | | | | | |
| State Bank of India | CC | 18/05/2024 | 85.00 | As per Note 2 | | 10.15% | 839.79 |
| Total | | | | | | | 839.79 |
| <u>Unsecured Loans</u> | | | | | | | |
| <u>Directors and other related parties</u> | | | | | | | |
| Raghav Somani | | | | NA | | | 78.13 |
| Madhav Somani | | | | NA | | | 65.54 |
| HanshaSomani | | | | NA | | | 28.18 |
| Krishnakant S Somani HUF | | | | NA | | | 5.02 |
| Krishnakant S Somani | | | | NA | | | 23.46 |
| Priya Somani | | | | NA | | | 19.64 |
| Vrinda Baheti | | | | NA | | | 2.93 |
| Total | | | | | | | 222.90 |
| <u>Bank and Financial Institution</u> | | | | | | | |
| Aditya Birla Ltd Loan A/c | | 17/10/2022 | 20.0 | NA | 36 | 18.00% | 10.52 |
| Cholamandalam Loan A/C | | 16/09/2022 | 20.0 | NA | 60 | 16.00% | 15.00 |
| Hero Fincorp Loan A/C | | 29/04/2023 | 15.2 | NA | 36 | 18.00% | 10.43 |
| ICICI BANK Loan Ac | | 25/08/2022 | 20.0 | NA | 36 | 15.89% | 10.07 |
| RBL Loan A/c | | 30/09/2022 | 25.0 | NA | 36 | 16.00% | 12.59 |
| Swan Finance Limited | | | | NA | | | 350.00 |
| Toyota Financial Services India Limited | | 23/02/2023 | 21.4 | NA | 60 | 9.25% | 16.60 |
| Ugro Capital Limited Loan A/c | | 31/10/2022 | 25.2 | NA | 36 | 17.00% | 13.54 |
| Yes Bank Ltd Loan A/c | | 20/10/2022 | 30.0 | NA | 36 | 16.75% | 14.90 |
| Total | | | | | | | 453.66 |

Note

1. Equitable mortgage of factory land and building at diverted land survey no.9/2/1/2 Rakba 0.523 Hect. Village Gawli, Tehsil and Dist Dhar Admeasuring 0.523 Hect.in the name of Sawaliya Food Products Pvt Ltd

Boundaries:-

East-Govt Road West- Land of survey no.9/2/1/1 North-Road South- Land of survey no.9/2/2

2. Hypothecation of plant and Machinery at factory of Sawaliya food products pvt ltd situated at survey no.9/2/1/2, Village Gawli, Tehsil and Dist Dhar

- 2 First and 100% charge by way of Hypothecation of the unit's entire stock of raw materials, Work in Progress and finished goods and other current assets including stores and spares, consumable items/packing materials, goods in transit and/or stored/lying in Company's factory premises/ site, godowns or at any other place as may be approved by the Bank from time to time including outstanding moneys, Book Debts/Receivables etc.

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(Amount in INR lakhs, except for share data unless otherwise stated)

Note 32 The trade payables ageing schedule:

At the end of the period As at 30 June 2024

| Particulars | Not due for payment | Outstanding for following periods from due date of payment | | | | Total |
|------------------------|---------------------|--|----------|----------|------------------|--------|
| | | Less than 1 year | 1-2 year | 2-3 year | More than 3 Year | |
| MSME | - | - | - | - | - | - |
| Others | - | 368.29 | 120.62 | - | - | 488.91 |
| Disputed dues - MSME | - | - | - | - | - | - |
| Disputed dues - Others | - | - | - | - | - | - |

At the end of the year As at 31 March 2024

| Particulars | Not due for payment | Outstanding for following periods from due date of payment | | | | Total |
|------------------------|---------------------|--|----------|----------|------------------|--------|
| | | Less than 1 year | 1-2 year | 2-3 year | More than 3 Year | |
| MSME | - | - | - | - | - | - |
| Others | - | 377.34 | 109.49 | - | - | 486.84 |
| Disputed dues - MSME | - | - | - | - | - | - |
| Disputed dues - Others | - | - | - | - | - | - |

At the end of the year As at 31 March 2023

| Particulars | Not due for payment | Outstanding for following periods from due date of payment | | | | Total |
|------------------------|---------------------|--|----------|----------|------------------|--------|
| | | Less than 1 year | 1-2 year | 2-3 year | More than 3 Year | |
| MSME | - | - | - | - | - | - |
| Others | - | 333.67 | 0.18 | - | - | 333.84 |
| Disputed dues - MSME | - | - | - | - | - | - |
| Disputed dues - Others | - | - | - | - | - | - |

At the end of the year As at 31 March 2022

| Particulars | Not due for payment | Outstanding for following periods from due date of payment | | | | Total |
|------------------------|---------------------|--|----------|----------|------------------|--------|
| | | Less than 1 year | 1-2 year | 2-3 year | More than 3 Year | |
| MSME | - | - | - | - | - | - |
| Others | - | 102.65 | - | - | - | 102.65 |
| Disputed dues - MSME | - | - | - | - | - | - |
| Disputed dues - Others | - | - | - | - | - | - |

Note 33 The trade receivables ageing schedule:

At the end of the period As at 30 June 2024

| Particulars | Less than 6 months | 6 Month to 1 year | 1-2 years | 2-3 years | More than 3 Years | Total |
|---|--------------------|-------------------|-----------|-----------|-------------------|--------|
| (i) Undisputed trade receivables – considered good | 709.70 | 26.46 | 0.14 | - | 0.17 | 736.46 |
| (ii) Undisputed trade receivables – considered doubtful | - | - | - | - | - | - |
| (iii) Disputed trade receivables considered good | - | - | - | - | - | - |
| (iv) Disputed trade receivables considered doubtful | - | - | - | - | - | - |

At the end of the year As at 31 March 2024

| Particulars | Less than 6 months | 6 Month to 1 year | 1-2 years | 2-3 years | More than 3 Years | Total |
|---|--------------------|-------------------|-----------|-----------|-------------------|--------|
| (i) Undisputed trade receivables – considered good | 283.19 | 0.14 | - | 0.17 | - | 283.49 |
| (ii) Undisputed trade receivables – considered doubtful | - | - | - | - | - | - |
| (iii) Disputed trade receivables considered good | - | - | - | - | - | - |
| (iv) Disputed trade receivables considered doubtful | - | - | - | - | - | - |

At the end of the year As at 31 March 2023

| Particulars | Less than 6 months | 6 Month to 1 year | 1-2 years | 2-3 years | More than 3 Years | Total |
|---|--------------------|-------------------|-----------|-----------|-------------------|-------|
| (i) Undisputed trade receivables – considered good | 58.28 | - | 0.67 | - | - | 58.95 |
| (ii) Undisputed trade receivables – considered doubtful | - | - | - | - | - | - |
| (iii) Disputed trade receivables considered good | - | - | - | - | - | - |
| (iv) Disputed trade receivables considered doubtful | - | - | - | - | - | - |

At the end of the year As at 31 March 2022

| Particulars | Less than 6 months | 6 Month to 1 year | 1-2 years | 2-3 years | More than 3 Years | Total |
|---|--------------------|-------------------|-----------|-----------|-------------------|--------|
| (i) Undisputed trade receivables – considered good | 206.74 | 0.67 | - | - | - | 207.41 |
| (ii) Undisputed trade receivables – considered doubtful | - | - | - | - | - | - |
| (iii) Disputed trade receivables considered good | - | - | - | - | - | - |
| (iv) Disputed trade receivables considered doubtful | - | - | - | - | - | - |

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Annexure V- Notes to Restated Financial Information

(Amount in INR lakhs, except for share data unless otherwise stated)

Note 34 Employee Benefits

I. Defined contribution plans

The Company has classified the various benefits provided to employees as under:

- a. Contribution to provident fund & Other funds

The expense recognised during the period towards defined contribution plan -

| Particulars | For the period ended 30 June 2024 | For the year ended 31 March 2024 | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|--|--------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| Contribution to provident fund & Other funds | 0.13 | 1.36 | 0.77 | 0.98 |

II. Defined benefit plans

Gratuity

The Company should provide for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service, subject to a payment ceiling of INR 20,00,000/-.

Based on the actuarial valuation obtained in this respect, the following table sets out the details of the employee benefit obligation as at balance sheet date:

| Particulars | For the period ended 30 June 2024 | For the year ended 31 March 2024 | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|--|--------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| I. Changes in present value of obligations | | | | |
| Present value of obligation as at the beginning of the period | 3.92 | 2.75 | 1.88 | 1.24 |
| Interest cost | 0.07 | 0.21 | 0.14 | 0.08 |
| Current service cost | 0.28 | 0.74 | 0.55 | 0.44 |
| Benefits paid | - | - | - | - |
| Actuarial (Gain) / Loss on obligations due to change in financial Ass | 0.03 | 0.13 | (0.08) | (0.11) |
| Actuarial (Gain) / Loss on obligations due to Experience Adjustment | (0.35) | 0.09 | 0.27 | 0.21 |
| Present value of obligation as at the end of the period | 3.94 | 3.92 | 2.75 | 1.88 |
| II. Actuarial (Gain) / Loss recognised | | | | |
| Actuarial (Gain) / loss for the period – Obligations | (0.33) | 0.22 | 0.18 | 0.11 |
| Actuarial (Gain) / Loss for the period – Plan assets | - | - | - | - |
| Total (Gain) / Loss for the period | (0.33) | 0.22 | 0.18 | 0.11 |
| Actuarial (Gain) / Loss recognised in the period | (0.33) | 0.22 | 0.18 | 0.11 |
| Unrecognised actuarial (Gain) / Loss at the end of the period | - | - | - | - |
| III. Amount to be recognised in the Balance Sheet | | | | |
| Present value of obligation at the end of period | 3.94 | 3.92 | 2.75 | 1.88 |
| Fair value of the plan assets at the end of period | | | | |
| Surplus / (Deficit) | (3.94) | (3.92) | (2.75) | (1.88) |
| Unrecognised past service cost | - | - | - | - |
| Amount not recognised as asset (Para 59(b) limit) | - | - | - | - |
| Net asset / (liability) recognised in balance sheet | (3.94) | (3.92) | (2.75) | (1.88) |
| IV. Expense recognised in the statement of profit and loss | | | | |
| Current service cost | 0.28 | 0.74 | 0.55 | 0.44 |
| Past service cost | - | - | - | - |
| Interest cost | 0.07 | 0.21 | 0.14 | 0.08 |
| Actuarial (Gain) / Loss recognised in the period | (0.33) | 0.22 | 0.18 | 0.11 |
| Expenses recognised in the statement of profit & loss at the end of period | 0.03 | 1.17 | 0.87 | 0.63 |
| V. Reconciliation of net asset / (liability) recognised | | | | |
| Net asset / (liability) recognised at the beginning of the period | (3.92) | (2.75) | (1.88) | (1.24) |
| Benefits directly paid by Company | - | - | - | - |
| Expense recognised at the end of period | (0.03) | (1.17) | (0.87) | (0.63) |
| Net asset / (liability) recognised at the end of the period | (3.94) | (3.92) | (2.75) | (1.88) |
| VI. Experience adjustment for the current period | | | | |
| Present value of obligations | 3.94 | 3.92 | 2.75 | 1.88 |
| Plan assets | | | | |
| Surplus / (Deficit) | (3.94) | (3.92) | (2.75) | (1.88) |

| | | | | |
|--|-------------|-------------|-------------|-------------|
| Experience (Gain) or Loss on plan liabilities | (0.35) | 0.09 | 0.27 | 0.21 |
| Experience (Gain) or Loss on plan assets | - | - | - | - |
| Classification | | | | |
| Current liability | 0.16 | 0.16 | 0.10 | 0.04 |
| Non-current liability | 3.78 | 3.75 | 2.65 | 1.84 |
| Total | 3.94 | 3.92 | 2.75 | 1.88 |
| Best estimate for contribution during next Period | | | | |
| Current Service Cost | 1.12 | 1.13 | 0.74 | 0.55 |
| Net Interest Cost | 0.28 | 0.28 | 0.21 | 0.14 |
| Expected Expenses Recognized in the Statement of Profit or Loss for Next Year# | 1.40 | 1.42 | 0.95 | 0.69 |

Next year Actual Expense will also include Actuarial Gain/ loss as incurred in next year and/ or any past service cost which may arise.

VII. Actuarial assumptions:

| | For the period ended 30 June 2024 | For the year ended 31 March 2024 | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|------------------------|---|---|---|---|
| Discount rate | 7.16% p.a | 7.22% p.a. | 7.50% p.a | 7.25% p.a |
| Salary Escalation Rate | 7.00% p.a | 7.00% p.a | 7.00% p.a | 7.00% p.a. |
| Attrition Rate | 5.00% p.a. | 5.00% p.a. | 5.00% p.a. | 5.00% p.a. |
| Retirement Age | 60 Years | 60 Years | 60 Years | 60 Years |
| Mortality Rate | Indian Assured Lives Mortality (2012-14) Ultimate | Indian Assured Lives Mortality (2012-14) Ultimate | Indian Assured Lives Mortality (2012-14) Ultimate | Indian Assured Lives Mortality (2012-14) Ultimate |

* It is actuarially calculated term of the plan using probabilities of death, withdrawal and retirement.

^ It is simple arithmetical difference between retirement age and average age (by zeroing out negatives for employees above retirement age) and is calculated without using any decrements.

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(Amount in INR lakhs, except for share data unless otherwise stated)

Note 35 SEGMENT REPORTING

(i) Business Segment

The accounting policies adopted for segment reporting are in line with the accounting policies of their Company. Revenues, expenses, assets and liabilities have been identified into segments on the basis of their relationship to operating activities of segments (taking into account the nature of products and services and the risk and rewards associated with them) and internal management information systems and the same is reviewed from time to time to realign the same to conform to the business units of the Company. Revenues, expenses, assets, and liabilities, which are common to the enterprise as a whole and are not allocable to the segments on a reasonable basis, have been treated as "Common Revenues/Expenses/Assets/Liabilities", as the case may be. Company are belongs to only one segment.

(ii) Geographical Segment

The Company activities / operations are confined to India and outside India as such there is two geographical segment. Accordingly, the figures appearing in these financial statements relate to the Company two geographical segment.

| Particulars | For the period ended | For the year ended | For the year ended | For the year ended |
|----------------|----------------------|--------------------|--------------------|--------------------|
| | 30 June 2024 | 31 March 2024 | 31 March 2023 | 31 March 2022 |
| In India | 742.53 | 2,110.08 | 1,306.42 | 1,039.84 |
| Out Side India | - | 229.70 | 202.46 | 316.43 |
| Total | 742.53 | 2,339.78 | 1,508.87 | 1,356.26 |

Note 36 CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to ensure that it maintains an efficient capital structure and maximizes shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions, annual operating plans and long term and other strategic investment plans. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders or issue new shares. The Company is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital period ended June 30, 2024 and year ended March 31, 2024, March 31, 2023 and March 31, 2022. The Company monitors capital using a ratio of 'adjusted net debt' to 'equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings less cash and cash equivalents. Equity comprises all components of equity including share premium and all other equity reserves attributable to the equity share holders.

The Company's adjusted net debt to equity ratio is as follows.

| Particulars | For the period ended | For the year ended | For the year ended | For the year ended |
|---|----------------------|--------------------|--------------------|--------------------|
| | 30 June 2024 | 31 March 2024 | 31 March 2023 | 31 March 2022 |
| Borrowings | 2,069.39 | 1,293.02 | 1,335.71 | 703.74 |
| Less: cash and cash equivalents | 20.42 | 87.74 | 10.90 | 5.38 |
| Adjusted net debt | 2,048.97 | 1,205.28 | 1,324.81 | 698.36 |
| Total Equity | 736.52 | 587.53 | 258.31 | 198.90 |
| Adjusted net debt to adjusted equity ratio | 2.78 | 2.05 | 5.13 | 3.51 |

Note 37 Foreign exchange earnings/ expenditures during the year

| Particulars | For the period ended | For the year ended | For the year ended | For the year ended |
|-------------------------------|----------------------|--------------------|--------------------|--------------------|
| | 30 June 2024 | 31 March 2024 | 31 March 2023 | 31 March 2022 |
| Foreign exchange earnings | - | 229.70 | 202.46 | 316.43 |
| Foreign exchange expenditures | - | 25.93 | 96.48 | 78.00 |

Note 38 Unhedged Foreign Currency Exposure during the year

| Particulars | For the period ended | For the year ended | For the year ended | For the year ended |
|--------------------------|----------------------|--------------------|--------------------|--------------------|
| | 30 June 2024 | 31 March 2024 | 31 March 2023 | 31 March 2022 |
| Trade Payables | | | | |
| USD convert in INR | - | - | - | - |
| Trade Receivables | | | | |
| USD convert in INR | 25.96 | 25.96 | - | 92.53 |

Note 39 Sundry debtors, sundry creditors, loans & advances balances are subject to confirmation.

Note 40 Contingent Liability

The Provision for Contingent Liability as per AS 29 Provisions, Contingent Liabilities and Contingent Assets is as follows:

| Particulars | As at | As at | As at | As at |
|-------------|--------------|---------------|---------------|---------------|
| | 30 June 2024 | 31 March 2024 | 31 March 2023 | 31 March 2022 |
| TDS Demand | 1.35 | 1.35 | 1.20 | 1.18 |

Note 41

OTHER RELEVANT DISCLOSURES

Additional regulatory information required by Schedule III of Companies Act, 2013:

- A.** Balance of Debtors & Creditors & Loans & advances Taken & giving are subject to confirmation and subject to consequential adjustments, if any. Debtors & creditors balance has been shown separately and the advances received and paid from/to the parties is shown as advance from customer and advance to suppliers.
- B.** The company has no transactions, which are not recorded in the books of accounts and which are surrendered or disclosed as income during the year in the tax assessment or in search or survey or under any other relevant provision of the Income Tax Act, 1961.
- C.** The Company has not traded or invested in crypto currency or virtual currency for the period ended 30th June 2024 and year ended 31st March 2024 , March 2023, March 2022
- D.** The Company do not had any transaction for the period ended 30 June 2024 and for the year ended March 2024, March 2023 and March 2022 with the companies which are struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956.
- E.** The company has not been declared as willful defaulter by any bank or from any other lender for the period ended 31st March 2024 and for the year ended March 2023, March 2022
- F.** The company has registered all the charges which are required to be registered under the terms of the loan and liabilities and submitted Documents with ROC within the period as required by Companies Act, 2013.
- G.** As per the information & detail available on records and the disclosure given by the management, the company has complied with the number of layers prescribed under clause (87) of section 2 of the companies act read with the Companies (Restriction on number of layers) Rules 2017.
- H.** As per the Information & details available on records and the disclosure given by the management, the company has not advanced, loaned or invested to any other person or entity or foreign entitles with the understanding that the intermediary shall directly or indirectly lend or invest in other person or entities identified in any manner whatsoever by or on behalf of the company or provided any guarantee, security or like to or on behalf of the company. Further the company has not received any funds from any person, entity including the foreign entity with the understanding that the company shall directly or indirectly lend, invest or guarantee, security or like manner on behalf of the funding party.
- I.** Compliance with approved scheme(s) of arrangements: The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.
- J.** The said provisions of Corporate Social Responsibility under section 135 of Companies Act, 2013 are not applicable to the company.

OTHER FINANCIAL INFORMATION

Accounting ratios

The accounting ratios derived from Restated Financial Statements required to be disclosed under the SEBI ICDR Regulations are set forth below:

(₹ in lakhs, per Equity Share data)

| Particulars | June 30, 2024 | 31 March 2024 | 31 March 2023 | 31st March 2022 |
|--|---------------|---------------|---------------|-----------------|
| Restated PAT as per Profit and Loss Account | 148.98 | 329.23 | 59.41 | 73.37 |
| EBITDA | 259.78 | 597.68 | 161.05 | 140.71 |
| Actual Number of outstanding equity shares at the end of the year | 53,20,304 | 1,23,728 | 1,23,728 | 1,23,728 |
| Weighted Number of outstanding equity shares at the end of the year (Pre-Bonus) | 53,20,304 | 53,20,304 | 53,20,304 | 53,20,304 |
| Weighted Number of outstanding equity shares at the end of the year (Post-Bonus) | 73,15,420 | 73,15,420 | 73,15,420 | 73,15,420 |
| Net Worth | 736.52 | 587.53 | 258.31 | 198.9 |
| Current Assets | 2601.81 | 1826.24 | 1129.68 | 560.98 |
| Current Liabilities | 1685.89 | 1317.56 | 912.81 | 479.52 |
| Number of shares | 53,20,304 | 1,23,728 | 1,23,728 | 1,23,728 |
| Earnings per share | 2.04 | 4.50 | 0.81 | 1.00 |
| Basic EPS (Pre-Bonus) | 2.80 | 6.19 | 1.12 | 1.38 |
| Diluted EPS (Pre-Bonus) | 2.80 | 6.19 | 1.12 | 1.38 |
| Basic EPS (Post-Bonus) | 2.04 | 4.50 | 0.81 | 1.00 |
| Diluted EPS (Post-Bonus) | 2.04 | 4.50 | 0.81 | 1.00 |
| Return on Net Worth (%) | 0.20 | 0.56 | 0.23 | 0.37 |
| Net Asset Value per share | 10.07 | 8.03 | 3.53 | 2.72 |
| Nominal Value per equity share(Rs.) | 10.00 | 10.00 | 10.00 | 10.00 |

For further details, see “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on page 218.

Other financial statements

In accordance with the SEBI ICDR Regulations, the audited financial statements of our Company for the three months period ended June 30, 2024 and for the Fiscals 2024, 2023 and 2022 (“**Audited Financial Statements**”), respectively, are available on our website at www.sawaliyafood.com. Our Company is providing a link to this website solely to comply with the requirements specified in the SEBI ICDR Regulations. The Audited Financial Statements of our Company and the reports thereon do not constitute, (i) a part of this Draft Red Herring Prospectus; or (ii) a prospectus, a statement in lieu of a prospectus, an offering circular, an offering memorandum, an advertisement, an offer or a solicitation of any offer or an offer document to purchase or sell any securities under the Companies Act, the SEBI ICDR Regulations, or any other applicable law in India or elsewhere.

The Audited Financial Statements and the reports thereon should not be considered as part of information that any investor should consider subscribing for or purchase any securities of our Company or any entity in which our Shareholders have significant influence and should not be relied upon or used as a basis for any investment decision. None of the entities specified above, nor any of their advisors, nor BRLM, nor any of their respective employees, directors, affiliates, agents or representatives accept any liability whatsoever for any loss, direct or indirect, arising from any information presented or contained in the Audited Financial Statements, or the opinions expressed therein.

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

The following discussion is intended to convey management's perspective on our financial condition and results of operations for the period ended on June 30, 2024, and for the financial year ended on March 31, 2024, March 31, 2023, March 31, 2022. You should read the following discussion of our financial condition and results of operations together with our restated financial statements included in the Draft Red Herring Prospectus. You should also read the section entitled "Risk Factors" beginning on page 28 of this Draft Red Herring Prospectus, which discusses several factors, risks and contingencies that could affect our financial condition and results of operations. The following discussion relates to our Company and is based on our restated financial statements, which have been prepared in accordance with Indian GAAP, the Companies Act and the SEBI Regulations. Portions of the following discussion are also based on internally prepared statistical information and on other sources. Our fiscal year ends on March 31 of each year, so all references to a particular fiscal year ("Fiscal Year") are to the twelve-month period ended March 31 of that year.

In this section, unless the context otherwise requires, any reference to "we", "us" or "our" refers to Sawaliya Food Products Limited (erstwhile "Sawaliya Food Products Private Limited"), our Company. Unless otherwise indicated, financial information included herein are based on our "Restated Financial Statements" for Financial Year ended on March 31, 2022, March 31, 2023, March 31, 2024 and for the period ended on June 30, 2024 included in this Draft Red Herring Prospectus beginning on page 183.

BUSINESS OVERVIEW

Founded in 2014, our Company is a manufacturer and processor of dehydrated vegetables, serving leading institutional manufacturers engaged in branded packaged food industries, traders and international importers of dehydrated products. As such, we are deeply connected with the branded packaged food industry and this accounted for 43.11 % of our revenue in Financial Year 2024. Our products find wide application as raw materials in the fast moving consumer goods ("FMCG") industry, for products such as cup noodles, ready to eat noodles, pasta, soup, etc. Our main products include dehydrated carrot, dehydrated cabbage and dehydrated ring beans / beans. Over the years, we have crafted a sustainable as well as an integrated business model wherein we source our raw materials directly from farmers to ensure that we use absolutely natural ingredients in our products. Since the farmers are located in close proximity to our manufacturing unit, we have an advantage of procuring desired quantity of raw materials mainly being carrots, at cost competitive prices and low logistical costs. Since, we source our raw materials directly from the farmers, we are able to offer our products at a lower range than our competitors, thereby having a unique pricing model. Additionally, our tie-ups with farmers enable us to procure vegetables, especially carrot in our warehouse, and sell the under-utilised raw materials, at higher prices in the market and gain from the fluctuation in prices of the raw materials.

Our Company has a diversified customer portfolio for its products. Our customer base is divided into three categories namely, institutional manufactures, Indian as well as foreign traders and international customers. Our customer base has been described below:

- *Institutional manufacturers:* The sale of our products to institutional manufacturers constitutes our business to business (**B2B**) model, wherein our Company processes and/or supplies dehydrated products as per the specifications of renowned FMCG companies and food processing companies as per their specifications. We generally supply dehydrated products to one of the leading FMCG companies headquartered in West Bengal, India and to a domestic institutional packaged food manufacturer.
- *Traders:* We also sell our products to local as well as foreign traders, who further sell our products to domestic institutional manufacturers or export our products to different geographies. Our local traders are concentrated in and around Madhya Pradesh and typically sell our products to local manufacturer of FMCG companies. Further, our foreign traders are located in United States of America and further sell our products to international manufacturers of FMCG products, operating mainly in the Asian regions.
- *International customers:* Our Company exports its finished products to various intermediaries in United States of America and has therefore established an indirect international presence for its products. Additionally, products which do not qualify our quality requirements, are exported to different countries for manufacturing of pet food. The sales and marketing team of our Company has enabled us to create a separate distribution vertical wherein we directly sell our products to international intermediaries and therefore reducing our dependence upon our trader network.

The revenue earned from the sale of our products, through institutional customers, traders and international customers during the three month period ended June 30, 2024 and the Fiscals 2024, 2023 and 2022 have been provided below:

| Particulars | 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 |
| Institutional customers | 214.86 | 28.94 | 1009.70 | 43.15 | 1198.07 | 79.40 | 871.21 | 64.24 |
| Traders | 527.67 | 71.06 | 1100.36 | 47.03 | 108.34 | 7.18 | 168.63 | 12.43 |
| International customers | 0.00 | 0.00 | 229.72 | 9.82 | 202.46 | 13.42 | 316.43 | 23.33 |
| Total | 742.53 | 100.00 | 2339.78 | 100.00 | 1508.87 | 100.00 | 1356.26 | 100.00 |

All our products are produced at our manufacturing facility, located in District Dhar, Madhya Pradesh, with a production capacity of approximately 1500 MT for all our dehydrated products, divided into two facilities. This enables us to have an effective control over the manufacturing process and to ensure consistent quality of our products. Our Company operates under the guidance of our Promoters, Raghav Somani and Priya Somani, who have a long standing experience in the food dehydration and food processing industry. During the year 2014, our Promoters incorporated our Company and in the year 2015, we established a manufacturing unit with a semi-automatic line and a small dryer, for processing and manufacturing dehydrated vegetables. In 2019, we automated the existing manufacturing unit by replacing the semi-automatic line with an automatic process line. We also installed an in-house meyer color sorter machine for improving quality of our products. In the year 2022, with the aim of expanding our manufacturing capacity, we had installed an additional vegetable processing line to increase production and set up an additional food dehydration and processing line in our manufacturing unit. We further expanded our manufacturing capacity and increased our ability to store and process raw materials and finished products, by establishing an in-house cold storage in our manufacturing unit. We wish to enhance our existing manufacturing process and increase our manufacturing capacity by utilising ₹ 646.27 lakhs from the Net Proceeds towards installing additional machinery in both of our production lines. For further details, please see “*Objects of the Offer*” on page 92 of this Draft Red Herring Prospectus.

We have a successful track record which has enabled us to develop an effective business model with stringent control over processes, including raw material procurement, manufacturing operations, inventory management and logistics management. We adhere to stringent product quality standards and closely track consumer preferences across segments from cross-section of markets. 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, while sub-standard products are exported for pet food production to international intermediaries. The commercialisation of our waste material makes our manufacturing unit a zero wastage unit. Owing to the enhanced quality of our products, our Company has received approval from the United States Food and Drug Administration for its products.

Since incorporation, it has been our Company’s vision and focus to manufacture and supply superior quality products to our customers, which has enabled us to expand our business operations. We have a quality control and assurance division (“**Quality Division**”) in our manufacturing unit which carries out the required tests on the materials received including raw materials which are used in the manufacturing process and also on the final products. Our Quality Division carries out sensory, physical or chemical and microbiological tests on the raw materials and finished products to ensure that our products are compliant with the specifications provided by our customers in case of institutions sales and are compliant with specifications of FSSAI. Our Quality Division also carries out tests on all the stages of our manufacturing processes to ensure that the quality is built through the process. In order to ensure delivery of utmost quality products to our customers, our Company on a periodic basis, engages third party laboratories to carry out quality checks on its finished products, on a sample basis.

We have a strong and experienced management team with a cumulative experience of more than two decades has positioned our business well for continued growth and development. Our Promoters have played a key role in developing our business and we benefit from their significant experience in the food processing industry. We also have a qualified key management team with experience in food processing industry, including in the areas of manufacturing, product development, quality control, information technology, strategy and business development. We believe that the domain knowledge and experience of our individual Promoters and our key management team provides us with a significant competitive advantage as we seek to grow in our existing markets and enter new segments and geographies. The success

of our management team is also demonstrated by our growth including our ability to develop new products as well as attract and retain our customers over a long period of time. We also believe our management team has demonstrated its ability to execute our required business plan and has the skills and experience needed to implement our strategic objectives related to our business and expansion in the future.

Our revenues from operations for the three month period ended June 30, 2024 and the Fiscals 2024, 2023 and 2022 were ₹ 742.53 lakhs, ₹ 2339.78 lakhs, ₹ 1508.87 lakhs and ₹ 1356.26 lakhs, respectively. Our EBITDA for the three month period ended June 30, 2024 and the Fiscals 2024, 2023 and 2022 were ₹ 259.78 lakhs, ₹ 597.68 lakhs, ₹ 161.05 lakhs and ₹ 140.71 lakhs, respectively, respectively. Our profit after tax for the three month period ended June 30, 2024 and the Fiscals 2024, 2023 and 2022 were ₹ 148.98 lakhs, ₹ 329.23 lakhs, ₹ 59.41 lakhs and ₹ 73.37 lakhs, respectively, respectively. For further details, please refer to the section titled “*Financial Information*” on page 183 of this Draft Red Herring Prospectus.

SIGNIFICANT DEVELOPMENTS SUBSEQUENT TO THE LAST FINANCIAL YEAR:

In the opinion of the Board of Directors of our Company, there have not arisen, since the date of June 30, 2024 as disclosed in this Draft Red Herring Prospectus, any significant developments or any circumstance that materially or adversely affect or are likely to affect the profitability of our Company or the value of its assets or its ability to pay its material liabilities within the next twelve months.

KEY FACTORS AFFECTING THE RESULTS OF OPERATION:

Our Company’s future results of operations could be affected potentially by the following factors:

1. General economic conditions in India, changes in laws and regulations.
2. Changes in revenue mix, including geographic mix of our revenues.
3. Changes in Fiscal, Economic or Political conditions in India.
4. Increased market fragmentation.
5. Competition with existing and new entrants
6. Seasonal variations and availability / shortage of fresh vegetables as same being the principal raw material used for manufacturing of our products
7. Dependency on few key customers
8. Technology System and Infrastructure Risks

OUR SIGNIFICANT ACCOUNTING POLICIES

For Significant accounting policies please refer Significant Accounting Policies, “Annexure IV” beginning under Chapter titled “*Financial Information*” beginning on page 183 of the Draft Red Herring Prospectus.

RESULTS OF KEY OPERATIONS

The following table sets forth select financial data from our restated financial statement of profit and loss for the period ended on June 30, 2024, and financial years ended March 31, 2024, 2023 and 2022 the components of which are also expressed as a percentage of total revenue for such period and financial years.

(₹ in lakhs)

| Particulars | For the period ended on | | For the year ended on | | | | | |
|---|-------------------------|-------------------|-----------------------|-------------------|-----------------|-------------------|-----------------|-------------------|
| | June 30, 2024 | % of Total Income | March 31, 2024 | % of Total Income | March 31, 2023 | % of Total Income | March 31, 2022 | % of Total Income |
| Revenue from operation | 742.53 | 98.75 | 2,339.78 | 98.85 | 1,508.87 | 98.60 | 1,356.26 | 99.39 |
| Other income | 9.38 | 1.25 | 27.26 | 1.15 | 21.38 | 1.40 | 8.38 | 0.61 |
| Total Revenue | 751.91 | 100.00 | 2,367.04 | 100.00 | 1,530.26 | 100.00 | 1,364.64 | 100.00 |
| Cost of raw material consumed | 492.06 | 65.44 | 1,723.80 | 72.83 | 1,398.95 | 91.42 | 786.49 | 57.63 |
| Changes in inventories of finished goods, | -124.14 | -16.51 | -462.45 | -19.54 | -575.57 | -37.61 | -36.78 | -2.69 |

| Particulars | For the period ended on | | For the year ended on | | | | | |
|-------------------------------------|-------------------------|-------------------|-----------------------|-------------------|-----------------|-------------------|-----------------|-------------------|
| | June 30, 2024 | % of Total Income | March 31, 2024 | % of Total Income | March 31, 2023 | % of Total Income | March 31, 2022 | % of Total Income |
| work-in-progress and stock-in-trade | | | | | | | | |
| Employee benefit expenses | 44.57 | 5.93 | 121.75 | 5.14 | 115.05 | 7.52 | 117.92 | 8.64 |
| Finance cost | 54.20 | 7.21 | 126.51 | 5.34 | 74.09 | 4.84 | 44.56 | 3.27 |
| Depreciation & amortization expense | 13.76 | 1.83 | 55.04 | 2.33 | 35.94 | 2.35 | 35.26 | 2.58 |
| Other expenses | 70.27 | 9.35 | 359.00 | 15.17 | 409.40 | 26.75 | 347.91 | 25.49 |
| Total Expenses | 550.72 | 73.24 | 1,923.65 | 81.27 | 1,457.86 | 95.27 | 1,295.37 | 94.92 |
| Profit Before Tax | 201.19 | 26.76 | 443.39 | 18.73 | 72.40 | 4.73 | 69.27 | 5.08 |
| Tax Expenses | 52.21 | 6.94 | 114.17 | 4.82 | 12.99 | 0.85 | -4.10 | -0.30 |
| Profit (Loss) for the Year | 148.98 | 19.81 | 329.23 | 13.91 | 59.41 | 3.88 | 73.37 | 5.38 |

Review of Restated Financials

Revenue from Operations: Revenue from operations consists of sale of products through institutional customers, traders and international customers during the three-month period ended June 30, 2024 and the Fiscals 2024, 2023 and 2022 have been provided below:

| Particulars | 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 |
| Institutional customers | 214.86 | 28.94 | 1009.70 | 43.15 | 1198.07 | 79.40 | 871.21 | 64.24 |
| Traders | 527.67 | 71.06 | 1100.36 | 47.03 | 108.34 | 7.18 | 168.63 | 12.43 |
| International customers | 0.00 | 0.00 | 229.72 | 9.82 | 202.46 | 13.42 | 316.43 | 23.33 |
| Total | 742.53 | 100.00 | 2339.78 | 100.00 | 1508.87 | 100.00 | 1356.26 | 100.00 |

Other Income: Other income includes Discount on Purchase A/c, Interest income, Export Benefit and Other Miscellaneous Income.

Total Income: Our total income comprises revenue from operations and other income.

Total Expenses: Company's total expenses consist of Cost of raw material consumed, Changes in inventories of Finished goods, Work-in-progress (WIP) and Stock-in-trade, Employee benefit expenses, Finance cost, Depreciation and amortization expense, and other expenses.

Changes in inventories of Finished goods, WIP and Stock-in-trade: Changes in inventories consists of costs attributable to an increase or decrease in inventory levels during the relevant financial period in Finished goods, WIP and Stock-in-trade.

Employee Benefits Expense: Employee benefit expense includes Salary to Staff, Salary to Workers, Director's Remuneration, Bonus, Gratuity and Employee welfare & other expenses.

Finance Cost: Finance cost includes Interest to financial institutions and Bank Commission & Charges.

Other expenses: Other expenses mainly consist of Travelling Expenses, ROC Charges, Consultancy & Legal Fees etc.

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

Revenue from Operations

The Company's revenue from operations for the period ended June 30, 2024, amounted to ₹ 742.53 lakhs, accounting for 98.75% of the total revenue. This was sale of products to Institutional customers and traders of ₹ 214.86 lakhs and ₹ 527.67 lakhs respectively.

Other Income

Other Income for the period ended June 30, 2024, amounted to ₹ 9.38 lakhs constituting 1.25% of the total revenue of which Other Miscellaneous Income of ₹ 8.51 lakhs and Interest Received of ₹ 0.87 lakhs.

Cost of raw material consumed

Cost of raw material consumed was ₹ 492.06 lakhs during the period ended June 30, 2024. As a percentage of total income, expenses relating to Cost of raw material consumed were 65.44%. Our Cost of raw material consumed during the period consisted of Purchase of raw material.

Changes in inventories of Finished goods, WIP and Stock-in-trade

The changes in inventories of Finished goods was ₹ 124.14 lakhs the closing stock of materials in hand was ₹ 1,437.96 lakhs as of June 30, 2024, against an opening stock of ₹ 1,313.82 lakhs as at April 1, 2024.

Employee Benefits Expenses

The costs associated with employee benefits for the period that concluded on June 30, 2024, totalled ₹ 44.57 lakhs, making up 5.93% of the total income. These employee benefits expenses primarily included Director remuneration amounting to ₹ 27.00 lakhs, Salary to staff amounting to ₹ 10.66 lakhs and Salary to workers amounting to ₹ 6.76 lakhs.

Finance Costs

The financial expenses for the period that concluded on June 30, 2024, totalled ₹ 54.20 lakhs, accounting for 7.21% of the total income. These expenses primarily consisted of Interest to financial institutions of ₹ 28.97 lakhs and Bank commission & charges of ₹ 25.23 lakhs.

Depreciation and amortization expenses

Depreciation and amortization expenses for the period ended June 30, 2024, amounted to ₹ 13.76 lakhs constituting 1.83% of total income.

Other Expenses

Other expenses for the period ended June 30, 2024, amounted to ₹ 70.27 lakhs constituting 9.35% of total income which primarily comprised of ROC Charges of ₹ 10.30 lakhs, Travelling expenses of ₹ 8.87 lakhs, Freight & Hammali Expense of ₹ 6.50 lakhs.

Tax Expenses

Tax expenses for the period ended June 30, 2024, were ₹ 52.21 lakhs. Tax expenses were 6.94% of total income.

Profit after Tax (PAT)

Profit after tax for the period ended June 30, 2024, amounted to ₹ 148.98 lakhs constituting 19.81% of total income.

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 growth in number of customers. In the period ended June 2024 number of customers associated with us was 24 as compared to 84 in the financial year 2023-24.
- Lower raw material prices because of bulk orders.

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.

- Sale of products to Traders in the financial year 2023-24 increased by ₹ 992.02 lakhs or 915.65% as compared to financial year 2022-23
- Sale of products to International customers in the financial year 2023-24 increased by ₹ 27.26 lakhs or 13.46% as compared to financial year 2022-23

- Sale of products to Institutional customers in the financial year 2023-24 decreased by ₹ 188.37 lakhs or 15.72% as compared to financial year 2022-23

Other Income

Other Income in the financial year 2023-24 increased by ₹ 5.88 lakhs or 27.50%, reaching ₹ 27.26 lakhs in comparison to the ₹ 21.38 lakhs incurred in the Financial Year 2022-23. This increase was primarily due to increase in Discount on Purchase A/c of ₹ 8.46 lakhs and decrease in Export benefit of ₹ 4.19 lakhs.

Cost of raw material consumed

Consumption and Manufacturing expenses for the financial year 2023-24 amounted to ₹ 1,723.80 lakhs constituting 72.83% of total income.

Changes in inventories of Finished goods, WIP and stock-in-trade

There was an increase of ₹ 462.45 lakhs for Fiscal 2024 as compared to an increase of ₹ 575.57 lakhs for Fiscal 2023, primarily attributable to a higher inventory of Finished goods at the end of Fiscal 2024.

Employee Benefits Expenses

Employee benefit expenses in the Financial Year 2023-24 increased by 5.82%, reaching ₹ 121.75 lakhs in comparison to the ₹ 115.05 lakhs incurred in the Financial Year 2022-23. This rise in employee expenses primarily stemmed from increases in Director remuneration which went up by ₹ 24.00 lakhs, Salary to workers which went up by ₹ 8.14 lakhs and Salary to staff which went down by ₹ 28.40 lakhs

Finance Costs

Finance Costs in the Financial Year 2023-24 increased by 70.75%, reaching ₹ 126.51 lakhs in comparison to the ₹ 74.09 lakhs incurred in the Financial Year 2022-23. This rise in finance costs primarily stemmed from increases in Interest to financial institutions which went up by ₹ 55.45 lakhs.

Depreciation and amortization expenses

Depreciation and amortization in the Financial Year 2023-24 increased by 53.15%, reaching ₹ 55.04 lakhs in comparison to the ₹ 35.94 lakhs incurred in the Financial Year 2022-23. The increase in depreciation was primarily due to addition in assets.

Other Expenses

Other expenses in the Financial Year 2023-24 decreased by 12.31%, reaching ₹ 359.00 lakhs in comparison to the ₹ 409.40 lakhs incurred in the Financial Year 2022-23. This decrease in other expenses was primarily attributed to several factors, including ₹ 85.36 lakhs decrease in Freight & Hamali expense, ₹ 26.23 lakhs decrease in Freight inwards, ₹ 23.17 lakhs decrease in cold storage expenses, ₹ 23.01 lakhs increase in cutting & cleaning expenses and ₹ 19.05 lakhs increase in carrot farming labour expenses.

Tax Expenses

Tax expenses increased by 778.72%, reaching a total of ₹ 114.17 lakhs in the financial year 2023-24, in contrast to the ₹ 12.99 lakhs in the financial year 2022-23.

Profit after Tax (PAT)

Due to the aforementioned factors, the profit experienced an upswing, primarily driven by the growth in total income and a decrease in total expenses as a percentage of total income. The Profit After Tax (PAT) for the financial year 2023-24 reached ₹ 329.23 lakhs, marking a notable increase from ₹ 59.41 lakhs in the financial year 2022-23. In the financial year 2023-24, PAT constituted 13.91% of the total revenue, in contrast to 3.88% in the fiscal year 2022-23.

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 growth in number of customers. In the financial year 2023-24 number of customers associated with us was 84 as compared to 12 in the financial year 2022-23.
- Lower raw material prices because of bulk orders.

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

Revenue from Operations

The Company's revenue from operations in the financial year 2022-23 is ₹ 1,508.87 lakhs. This represents ₹ 152.61 lakhs or 11.25% increase compared to the previous financial year's revenue from operations of ₹ 1,356.26 lakhs.

- Sale of products to Institutional customers in the financial year 2022-23 increased by ₹ 326.86 lakhs or 37.52% as compared to financial year 2021-22
- Sale of products to Traders in the financial year 2022-23 decreased by ₹ 60.29 lakhs or 35.75% as compared to financial year 2021-22
- Sale of products to International customers in the financial year 2022-23 decreased by ₹ 113.97 lakhs or 36.02% as compared to financial year 2021-22

Other Income

Other Income in the financial year 2022-23 increased by ₹ 13.01 lakhs or 155.33%, reaching ₹ 21.38 lakhs in comparison to the ₹ 8.38 lakhs incurred in the Financial Year 2021-22. This increase was primarily due to increase in Export benefit of ₹ 10.29 lakhs and increase in Discount on purchase of ₹ 5.20 lakhs.

Cost of raw material consumed

Consumption and Manufacturing expenses for the financial year 2022-23 amounted to ₹ 1,398.95 lakhs constituting 91.42% of total income.

Changes in inventories of Finished goods, WIP and stock-in-trade

There was an increase of ₹ 575.57 lakhs for Fiscal 2023 as compared to an increase of ₹ 36.78 lakhs for Fiscal 2022, primarily attributable to a higher inventory of Finished goods at the end of Fiscal 2023.

Employee Benefits Expenses

Employee benefit expenses in the Financial Year 2022-23 decreased by 2.44%, reaching ₹ 115.05 lakhs in comparison to the ₹ 117.92 lakhs incurred in the Financial Year 2021-22. This decrease in employee expenses primarily stemmed from decrease in Salary to workers which went down by ₹ 25.16 lakhs and Salary to workers which went up by ₹ 22.42 lakhs.

Finance Costs

Finance Costs in the Financial Year 2022-23 increased by 66.27%, reaching ₹ 74.09 lakhs in comparison to the ₹ 44.56 lakhs incurred in the Financial Year 2021-22. This rise in finance costs primarily stemmed from increases in Interest to financial institutions which went up by ₹ 24.26 lakhs and bank commission and charges which went up by ₹ 5.27 lakhs.

Depreciation and amortization expenses

Depreciation and amortization in the Financial Year 2022-23 increased by 1.94%, reaching ₹ 35.94 lakhs in comparison to the ₹ 35.26 lakhs incurred in the Financial Year 2021-22. The increase in depreciation was primarily due to addition in assets.

Other Expenses

Other expenses in the Financial Year 2022-23 increased by 17.67%, reaching ₹ 409.40 lakhs in comparison to the ₹ 347.91 lakhs incurred in the Financial Year 2021-22. This increase in other expenses was primarily attributed to several factors, including ₹ 38.11 lakhs increase in Freight & Hamali expense, ₹ 9.97 lakhs increase in Custom duty & charges and ₹ 9.87 lakhs increase in Freight inward.

Tax Expenses

Tax expenses decreased by 416.85%, reaching a total of ₹ 12.99 lakhs in the financial year 2022-23, in contrast to the ₹ (4.10) lakhs in the financial year 2021-22.

Profit after Tax (PAT)

The Profit After Tax (PAT) for the financial year 2022-23 reached ₹ 59.41 lakhs, marking a decrease from ₹ 73.37 lakhs in the financial year 2021-22. In the financial year 2022-23, PAT constituted 3.88% of the total revenue, in contrast to 5.38% in the fiscal year 2021-22.

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.

Cash Flow

The table below summaries our cash flows from our Restated Financial Information for the financial years ended on 2024, 2023, and 2022:

| Particulars | For the period ended June 30, 2024 | FY 2024 | FY 2023 | FY 2022 |
|--|------------------------------------|----------|----------|----------|
| Net cash (used in)/ Generated from operating activities | (329.48) | 64.64 | 7.66 | 93.60 |
| Net cash (used in)/ Generated from investing activities | (460.01) | 181.40 | (560.02) | (106.15) |
| Net cash (used in)/ Generated from finance activities | 722.16 | (169.20) | 557.88 | (4.91) |
| Net increase/ (decrease) in cash and cash equivalents | (67.33) | 76.84 | 5.52 | (17.46) |
| Cash and Cash Equivalents at the beginning of the period | 87.74 | 10.90 | 5.38 | 22.84 |
| Cash and Cash Equivalents at the end of period | 20.41 | 87.74 | 10.90 | 5.38 |

Cash Flow from/ (used in) Operating Activities

Net cash used in operating activities for the period ended June 30, 2024, was ₹ (329.48) lakhs and our profit before tax that period was ₹ 201.19 lakhs. The difference was primarily attributable to depreciation of ₹ 13.76 lakhs, Interest paid of ₹ 54.20 lakhs, and thereafter change in working capital of ₹ (547.09) lakhs respectively, resulting in gross cash used in operations at ₹ (278.80) lakhs. We have income tax paid of ₹ 50.68 lakhs.

Net cash generated from operating activities in the Fiscal 2024 was ₹ 64.64 lakhs and our profit before tax that period was ₹ 443.39 lakhs. The difference was primarily attributable to depreciation of ₹ 55.04 lakhs, Interest paid of ₹ 126.51 lakhs, and thereafter change in working capital of ₹ (440.34) lakhs respectively, resulting in gross cash generated from operations at ₹ 180.83 lakhs. We have income tax paid of ₹ 116.19 lakhs.

Net cash generated from operating activities in the Fiscal 2023 was ₹ 7.66 lakhs and our profit before tax that period was ₹ 72.40 lakhs. The difference was primarily attributable to depreciation of ₹ 35.94 lakhs, Interest paid of ₹ 74.09 lakhs, and thereafter change in working capital of ₹ (160.70) lakhs respectively, resulting in gross cash generated from operations at ₹ 20.24 lakhs. We have income tax paid of ₹ 12.59 lakhs.

Net cash generated from operating activities in the Fiscal 2022 was ₹ 93.60 lakhs and our profit before tax that period was ₹ 69.27 lakhs. The difference was primarily attributable to depreciation of ₹ 35.26 lakhs, Interest paid of ₹ 44.56 lakhs, and thereafter change in working capital of ₹ (40.26) lakhs respectively, resulting in gross cash generated from operations at ₹ 105.63 lakhs. We have income tax paid of ₹ 12.02 lakhs.

Cash Flow from/ (used in) Investing Activities

For the period ended June 30, 2024, our net cash used in investing activities was ₹ (460.01) lakhs, which was primarily for capital work in progress of ₹ (176.56) lakh, (Increase)/Decrease in short term loans & advances of ₹ (266.83) lakhs, (Increase)/Decrease in Long term loans & advances of ₹ (17.50) lakhs and Interest income on fixed deposit of ₹ 0.87 lakhs.

In the Fiscal 2024, our net cash generated from investing activities was ₹ 181.40 lakhs, which was primarily for Purchase/Sale of Property, Plant and Equipment of ₹ 90.96 lakhs, (Increase)/Decrease in short term loans & advances of ₹ 72.62 lakhs, (Increase)/Decrease in Non- current investment of ₹ 24.85 lakhs, (Increase)/Decrease in Long term loans & advances of ₹ (10.79) lakhs and Interest income on fixed deposit of ₹ 3.77 lakhs during the said period.

In the Fiscal 2023, our net cash used in investing activities was ₹ (560.02) lakhs, which was primarily for Purchase/Sale of Property, Plant and Equipment of ₹ 42.56 lakhs, Capital work in progress of ₹ (398.62) lakhs, (Increase)/Decrease in short term loans & advances of ₹ (140.31) lakhs, (Increase)/Decrease in Non- current investment of ₹ (18.92) lakhs, (Increase)/Decrease in Long term loans & advances of ₹ (46.22) lakhs and Interest income on fixed deposit of ₹ 1.49 lakhs during the said period.

In the Fiscal 2022, our net cash used in investing activities was ₹ (106.15) lakhs, which was primarily for Purchase/Sale of Property, Plant and Equipment of ₹ (65.81) lakhs, (Increase)/Decrease in short term loans & advances of ₹ (33.79) lakhs, (Increase)/Decrease in Non- current investment of ₹ (8.52) lakhs and Interest income on fixed deposit of ₹ 1.96 lakhs during the said period.

Cash Flow from/ (used in) Financing Activities

For the period ended June 30, 2024, our net cash generated from financing activities was ₹ 722.16 lakhs. This was primarily due to Increase/(Decrease) in long term borrowings of ₹ 436.99 lakhs, Increase/(Decrease) in short term borrowings of ₹ 339.37 lakhs and Interest Paid of ₹ (54.20) lakhs.

In the Fiscal 2024, our net cash used in financing activities was ₹ (169.20) lakhs. This was primarily due to Increase/(Decrease) in long term borrowings of ₹ (196.54) lakhs, Increase/(Decrease) in short term borrowings of ₹ 153.85 lakhs and Interest Paid of ₹ (126.51) lakhs.

In the Fiscal 2023, our net cash generated from financing activities was ₹ 557.88 lakhs. This was primarily due to Increase/(Decrease) in long term borrowings of ₹ 460.02 lakhs, Increase/(Decrease) in short term borrowings of ₹ 171.95 lakhs and Interest Paid of ₹ (74.09) lakhs.

In the Fiscal 2022, our net cash used in financing activities was ₹ (4.91) lakhs. This was primarily due to Increase/(Decrease) in long term borrowings of ₹ (61.26) lakhs, Increase/(Decrease) in short term borrowings of ₹ 100.91 lakhs and Interest Paid of ₹ (44.56) lakhs.

Information required as per Item 11 (II) (C) (iv) of Part A of Schedule VI to the SEBI Regulations:

1. Unusual or infrequent events or transactions

To our knowledge there have been no unusual or infrequent events or transactions that have taken place during the last three years.

2. Significant economic changes that materially affected or are likely to affect income from continuing operations.

Our business has been subject, and we expect it to continue to be subject to significant economic changes arising from the trends identified above in 'Factors Affecting our Results of Operations' and the uncertainties described in the section entitled "*Risk Factors*" beginning on page 28 of this Draft Red Herring Prospectus. To our knowledge, except as we have described in this Draft Red Herring Prospectus, there are no known factors which we expect to bring about significant economic changes.

3. Income and Sales on account of major product/main activities

Income and sales of our Company mainly consists of sale of products.

4. Whether the company has followed any unorthodox procedure for recording sales and revenues

Our Company has not followed any unorthodox procedure for recording sales and revenues.

5. Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations.

Apart from the risks as disclosed under Section titled "*Risk Factors*" beginning on page 28 in this Draft Red Herring Prospectus, in our opinion there are no other known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations.

6. Extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices.

Increases in revenues are by and large linked to increases in volume of business.

7. Total turnover of each major industry services in which the issuer company operated.

The Company is in the business of, the relevant industry data, as available, has been included in the chapter titled "*Industry Overview*" beginning on page 117 of this Draft Red Herring Prospectus.

8. Status of any publicly announced new products or business services.

Our Company has not announced any new services or business services.

9. The extent to which business is seasonal.

Our Company's business is subject to seasonality. For further information, kindly check "*Risk Factors*" beginning on page 28 in this Draft Red Herring Prospectus.

10. Any significant dependence on a single or few suppliers or customers.

The % of contribution of our Company’s suppliers vis-à-vis the total purchases respectively for the period ended June 30,2024 and for the Fiscal 2024, 2023 and 2022 is as follows:

| Particulars | Top Suppliers as a percentage (%) of total purchases | | | |
|---------------|--|-------------|-------------|-------------|
| | Period ended June 30, 2024 | Fiscal 2024 | Fiscal 2023 | Fiscal 2022 |
| Top 5 | 83.16 | 23.69 | 41.66 | 50.18 |
| Top 10 | 89.02 | 31.87 | 51.99 | 64.72 |

The % of contribution of our Company’s customers vis-à-vis the total revenue from operations respectively for the period ended June 30,2024 and for the Fiscal 2024, 2023 and 2022 is as follows:

| Particulars | Top Customers as a percentage (%) of Revenue from operations | | | |
|---------------|--|-------------|-------------|-------------|
| | Period ended June 30, 2024 | Fiscal 2024 | Fiscal 2023 | Fiscal 2022 |
| Top 5 | 84.70 | 59.49 | 84.24 | 81.81 |
| Top 10 | 98.87 | 65.63 | 93.27 | 96.47 |

11. Competitive conditions.

Competitive conditions are as described under the Chapters titled “*Industry Overview*” and “*Our Business*” beginning on pages 117 and 130, respectively of this Draft Red Herring Prospectus.

CAPITALISATION STATEMENT

The following table sets forth our capitalisation derived from our Restated Financial Statements for the three month period ended June 30, 2024, and as adjusted for the Offer. This table should be read in conjunction with “Management’s Discussion and Analysis of Financial Condition and Results of Operations”, “Financial Information” and “Risk Factors” on pages 218, 183 and 28, respectively.

(in ₹ lakhs)

| Particulars | Pre Offer as at June 30,2024 | Post Offer |
|--|------------------------------|------------|
| Borrowings | | |
| Short- term | 892.46 | [●] |
| Long- term (including current maturities) (A) | 1,176.93 | [●] |
| Total Borrowings (B) | 2,069.39 | [●] |
| Shareholder's fund | | |
| Share capital | 532.03 | [●] |
| Reserve and surplus, as restated | 204.48 | [●] |
| Total Shareholder's fund (C) | 736.52 | [●] |
| Long- term borrowings / equity ratio {(A)/(C)} | 1.60 | [●] |
| Total borrowings / equity ratio {(B)/(C)} | 2.81 | [●] |

*The corresponding post Issue capitalisation data for each of the amounts given in the above table is not determinable at this stage pending the completion of the Book Building Process and hence, the same have not been provided in this statement.

Notes:

1. The above has been computed on the basis of the Restated Financial Statements of the Company as on June 30, 2024.
2. Current borrowing is considered as borrowing due within 12 months from the balance sheet date.
3. Non-Current term borrowing is considered as borrowing other than current borrowing, as defined above and also includes the current maturities of non-current borrowing.

FINANCIAL INDEBTEDNESS

Our Company has availed loans in the ordinary course of its business for the purposes of working capital and other business requirements.

Our Company has obtained the necessary consent required under the loan agreements entered into in connection with and for undertaking activities in relation to the Offer, including effecting a change in our capital structure, change in our shareholding pattern, change in our constitutional documents including amending the Memorandum of Association and Articles of Association of our Company, change in the management or board composition, as applicable.

SECURED BORROWINGS

As on August 31, 2024, we have availed secured loans of which the total outstanding amount secured loan is ₹ 1,405.35 lakhs as of date, the details of which are as under:

(₹ in lakhs)

| Sr. No. | Lender and Purpose | Amount Sanctioned | Amount Outstanding (as on August 31, 2024) | Rate of Interest/ Commission | Tenure / Tenor | Primary Security | Collateral Security |
|-----------|----------------------------|-------------------|--|---|----------------|--|--|
| 1. | State Bank of India | | | | | | |
| | FBWC Cash Credit Limited | 850.00 | 846.88 | 1% above EBLR which is presently 9.15% p.a. | 12 months | Cash Credit: First and 100% charge by way of Hypothecation of the unit's entire stock of raw materials, Work in Progress and finished goods and other current assets including stores and spares, consumable items/packing materials, goods in transit and/or stored/ lying in Company's factory premises/ site, godowns or at any other place as may be approved by the Bank from time to time including outstanding moneys, Book Debts/Receivables etc. | 1. Equitable mortgage of House at Plot no.13 H, Scheme no.71, Sector A, Indore Admeasuring 273.75 sq metre in the name of Shri Shantilal Balmukund Somani HUF through authorized person Shri Krishnakant Somani Boundaries:- East- 15.00meter wide road West- Plot no.971 & 981 North- Pakka Nala South- Plot No. 12 H, |
| | Term Loan 1: | 51.00 | 48.51 | | 47 months | | |
| | Term Loan 2: | 89.00 | 85.75 | | 58 months | | |
| | Term Loan 3: | 76.00 | 70.62 | | 35 months | | |
| | Term Loan 4: | 347.00 | 337.62 | | 71 months | | |
| | | | | | | Term Loan 1, 2, 3 and 4: | 2. Equitable mortgage of Open Plot Survey no.140/1/2, Ward no.3, Club Road, Behind Hanuman Mandir, Alirajpur Tehsil and |
| | | | | | | a. Equitable mortgage of factory land and building at diverted land survey no.9/2/1/2 Rakba 0.523 Hect. Village Gawli, Tehsil and Dist Dhar Admeasuring | |

| Sr. No. | Lender and Purpose | Amount Sanctioned | Amount Outstanding (as on August 31, 2024) | Rate of Interest/ Commission | Tenure / Tenor | Primary Security | Collateral Security |
|---------|---------------------|-------------------|--|------------------------------|----------------|--|---|
| 1. | State Bank of India | | | | | <p>0.523 Hect.in the name of Sawaliya Food Products Pvt Ltd Boundaries:- East- Govt Road West- Land of survey no.9/2/1/1 North- Road South- Land of survey no.9/2/2</p> <p>b. Hypothecation of plant and Machinery at factory of Sawaliya food products pvt ltd situated at survey no,9/2/1/2, Village Gawll, Tehsil and Dist Dhar</p> | <p>Dist Alirajpur Admeasuring 1727 sq ft, and 11304 sq ft. In the name of Hansa Somani W/o Shri Krishnakant Somani Boundaries:- East- Land of Raghunan-dan Kothari West- Land Of Nandkishore Gupta North- Pakka Nala South- Gall</p> <p>3. Equitable mortgage of House No. 296, Pratapganj Marg, Ward No. 04, Tehsil and Dist Alirajpur.</p> <p>Admeasuring 1843.75 sq ft. in the name of Shri Krishnakant Somani</p> <p>Boundaries:- East- Land of Muslim West- House of Jankilal Bhagwandas North- Pratapganj Marg No.1 South- Pratapganj Marg No.2</p> <p>Personal Guarantee: 1. Raghav Somani 2. Madhav Somani</p> |

| Sr. No. | Lender and Purpose | Amount Sanctioned | Amount Outstanding (as on August 31, 2024) | Rate of Interest/ Commission | Tenure / Tenor | Primary Security | Collateral Security |
|---------|----------------------------------|-------------------|--|------------------------------|----------------|--------------------------------|--|
| 1. | State Bank of India | | | | | | |
| | | | | | | | 3. Krishnakant Somani 4. Hansa Somani |
| 2. | Toyota Financial Services | | | | | | |
| | Vehicle Loan | 21.4 | 15.96 | 9.26% | 60 months | HYRYDER & V E-DRIVE 2wd HYBRID | - |
| | Total | 1,434.40 | 1,405.35 | | | | |

*The vehicle loan has been repaid by our Company on October 9, 2024.

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) |
|--|--------------------|--------------------|--------------------------------|-------------------|------------------|--|
| Aditya Birla Finance Limited | Business Loan | October 17, 2022 | 20.00 | 36 months | 18% p.a. | 9.65 |
| Cholamandalam Investment and Finance Company | Business Loan | March 9, 2023 | 20.00 | 60 months | 16% p.a. | 14.43 |
| Hero Fincorp Limited | Business Loan | April 27, 2023 | 15.17 | 36 months | 18% p.a. | 9.82 |
| ICICI Bank Limited | Business Loan | September 22, 2022 | 20.00 | 36 months | 15.50% p.a. | 8.92 |
| Urgo Capital Limited | Business Loan | October 31, 2022 | 25.15 | 36 months | 17.00% p.a. | 12.04 |
| Yes Bank Limited | Business Loan | October 20, 2022 | 30.00 | 36 months | 16.75% p.a. | 13.17 |
| RBL | Business Loan | September 30, 2022 | 25.00 | 36 months | 16.00% p.a. | 11.16 |
| Swan Finance Limited | Business Loan | May 10, 2024 | 350.00 | 12 months | 15.00% p.a. | 350.00 |
| Raghav Somani | Unsecured Loan | - | - | On demand- | N.A. | 124.00 |
| Madhav Somani | Unsecured Loan | - | - | On demand | N.A. | 65.50 |
| Hansha Somani | Unsecured Loan | - | - | On demand | N.A. | 28.18 |
| Krishnakant S Somani HUF | Unsecured Loan | - | - | On demand | N.A. | 5.02 |
| Krishnakant S Somani | Unsecured Loan | - | - | On demand | N.A. | 18.36 |
| Priya Somani | Unsecured Loan | - | - | On demand | N.A. | 19.64 |
| Vranda Baheti | Unsecured Loan | - | - | On demand | N.A. | 2.93 |
| Total | | | | | | 692.82 |

Principal terms of the financial arrangements entered into by our Company are disclosed below:

- Penal Interest:** The terms of certain financing facilities availed by our Company prescribes penalties for non-compliance of certain obligations by our Company. These include, *inter alia*, delay in payment of or non-payment of instalments or interest, irregularity in cash credit, non-submission / delay in stock statement, non-submission of renewal data, non-

compliance with covenants, use of funds for anything other than the purpose for which the loan was availed, non-payment / non acceptance of demand / usance bills of exchange on presenting at due dates etc.

2. **Pre-payment:** Some of the terms of facilities availed by our Company have prepayment provisions which allow for prepayment of the outstanding loan amount, subject to such prepayment penalties as laid down in the facility agreements.
3. **Events of Default:** The financing arrangements entered into by our Company contain standard events of default, including:
 - i. Default in performance of covenants, conditions or agreements in respect of the loan;
 - ii. Default in payment of EMIs or any other amounts due to the lender;
 - iii. Change in constitution, management or existing ownership or control of the Borrower including by reason of liquidation, amalgamation, merger or reconstruction;
 - iv. Any unauthorized modification in the shareholding pattern of our Company including issuance of new shares in the share capital of our Company;
 - v. Any action taken or legal proceedings initiated for winding up, dissolution, or reorganisation or for appointment of receiver, trustee or similar officer of any of Company's assets;
 - vi. Any information provided by our Company for financial assistance found to be misleading or incorrect in any material respect;
 - vii. For the period of overdue interest/instalment in respect of Term Loans and over drawings above the drawing power/limit in Fund Based Working Capital accounts on account of interest/devolvement of letters of credit/bank guarantee, insufficient stocks and receivables etc.;
 - viii. Non-submission of stock statements within 20 days of the succeeding month, Audited Balance Sheet by December 31st every year, FFRs, wherever stipulated, within due date, review/renewal data at least one month prior to due date;
 - ix. Non-renewal of insurance policies in a timely manner or inadequate insurance cover; and
 - x. Opening new current or other accounts, with banks outside the lending arrangement without obtaining Bank's NOC, or maintaining any current with any bank would amount to an event of default.

The details above are indicative and there are additional terms that may amount to an event of default under the financing arrangements entered into by our Company. Our Company is required to ensure that the aforementioned events of default and other events of default, as specified under the agreements relating to the financing arrangements entered into by our Company, are not triggered.

4. **Consequences of Events of Default:** The financing arrangements entered into by our Company set out the consequences of occurrence of events of default, including:
 - i. In case of default in repayment of the loan/advances or in the payment of the interest thereon or any of the agreed instalments of the loan on due date(s) by the borrower, the Bank and/or the RBI will have an unqualified right to disclose or publish the borrower's name or the name of the borrow-er/unit and its directors/partners/proprietors as defaulters/wilful defaulters in such manner and through such medium as the Bank or RBI in their absolute discretion may think fit.
 - ii. In the event of default in repayment to our Bank or if cross default has occurred, the Bank will have the right to appoint its nominee on the Board of Directors of the borrower to look after its interests.
 - iii. In case of default not corrected within 90 days or restructuring of debt, the regulatory guidelines provide for conversion of debt to equity. The Bank shall have the right to convert loan to equity or other capital in accordance with the regulatory guidelines. Further, in such a scenario, the borrower. agrees to facilitate the process of conversion of loan to equity or other capital, In case of listed company approval of shareholders to be obtained.
 - iv. In the event of default, not corrected in 90 days, the Bank shall have the right to securitise the assets charged and in the event of such securitisation, the Bank will suitably inform the borrower(s) and guarantor(s). In addition, the Bank shall have the right to novate/assign the assets charged.

The details provided above are indicative and there may be additional terms, conditions and requirements under the specific financing arrangements entered into by our Company.

5. **Restrictive Covenants:** Certain financing arrangements entered into by us contain restrictive covenants. An indicative list of such restrictive covenants is disclosed below. Our Company shall not without the prior approval of the lenders:
 - i. Enter into borrowing arrangements either secured or unsecured with any other bank/financial institutions, or otherwise or accept deposits apart from the existing arrangement;
 - ii. The Borrower agrees not to induct any person in its board of director who has been identified as willful defaulter as per directions/guidelines of RBI or Bank

- iii. Invest by way of share capital in or lend or advance funds to or place deposits with any concern: normal trade credit or security deposits in the normal course of business or advances to employees can, however, be extended;
- iv. Transfer of the controlling interest or making any drastic change in the management set-up including resignation of promoter directors (includes key managerial personnel);
- v. Payment of commission to the guarantor for guaranteeing the credit facilities sanctioned by the Bank.
- vi. Mortgage, lease, surrender or alienation of property or any part thereof;
- vii. Enter into any agreement or arrangement with any person, institution or local or government body for the use, occupation or disposal of the property or any part thereof during the pendency of the loan;
- viii. Enter into any scheme of merger, demerger, acquisition, reorganisation, scheme of arrangement or reconstruction;
- ix. Declare any dividend if it fails to meet its interest payment obligations, make any investments by way of share capital or debentures and/ or advance funds to any party other than in the normal course of business;
- x. Recognize or register any transfer of shares in our Company's shareholding pattern/capital made or to be made by the promoters and their associates;
- xi. Change or cause to change its shareholding pattern/ extent and nature of holding of the body corporate and/ or its directors/ partners/ designated partner and/or its constituent documents in the nature of Memorandum of Association etc.;
- xii. Permit any significant change in the nature of business of our Company, ownership or control of our Company;
- xiii. Repay/ prepay or service any unsecured/ secured loans from the Promoter Group/ Directors and such loans from the Promoter Group/ Directors shall, during the tenor of the credit facility availed;

The details provided above are indicative and there may be additional terms, conditions and requirements under the specific financing arrangements entered into by our Company.

For further details of financial and other covenants required to be complied with in relation to our borrowings, see "*Risk Factors – Risk Factor – 42 - In addition to our existing indebtedness for our existing operations, we may incur further indebtedness during the course of business. We cannot assure that we would be able to service our existing and/ or additional indebtedness*" on page 51.

For further details pertaining to our indebtedness, see "*Restated Financial Information*" on page 183.

SECTION VII – LEGAL AND OTHER INFORMATION
OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated in this section, there are no: (i) criminal proceedings; (ii) actions by statutory or regulatory authorities; (iii) claims relating to direct and indirect taxes; (iv) disciplinary actions including penalties imposed by SEBI or Stock Exchanges against the Promoters in the last five financial years, including any outstanding action; or (v) Material Litigation (as defined below); involving our Company, Directors and Promoters.

For the purposes of (iv) above, in terms of the Materiality Policy adopted by our Board pursuant to a resolution dated September 02, 2024 any pending litigation / arbitration proceedings involving the Relevant Parties shall be considered “material” for the purposes of disclosure in this Draft Red Herring Prospectus, if:

- a.) The aggregate monetary claim/ dispute amount/ liability made by or against our Company in any such pending litigation (individually or in aggregate), is equivalent to or above 5% of the restated profit after tax of our Company, as per the latest completed fiscal year of the Restated Financial Statements (amounting to ₹ 16.46 lakhs);
- b.) Any such pending litigation / arbitration proceeding involving the Directors or Promoters of our Company, which may have a material adverse impact on the business, operations, performance, prospects, financial position or reputation our Company; and
- c.) any such litigation wherein a monetary liability is not determinable or quantifiable, or which does not fulfil the threshold as specified in (a) or (b) above, as applicable, or wherein our Company is not a party, but the outcome of which could, nonetheless, have a material effect on the business, operations, performance, prospects, financial position or reputation of our Company.

Our Board of Directors considers dues owed by our Company to the small-scale undertakings and other creditors exceeding an amount of 5% of restated trade payables as per the most recent period included in the Offer Documents, aggregating to ₹ 24.45 lakhs as material dues for the Company. This materiality threshold has been approved by our Board of Directors pursuant to the resolution passed on September 02, 2024. Further, for outstanding dues to any party which is a micro, small or a medium enterprise (“MSME”), the disclosure will be based on information available with our Company regarding status of the creditor as defined under Section 2 of the Micro, Small and Medium Enterprises Development Act, 2006, as amended, as has been relied upon by the Statutory Auditors.

All terms defined in a particular litigation are for that particular litigation only.

1. LITIGATION INVOLVING OUR COMPANY

Litigation against our Company

1. Criminal Proceedings

Nil

2. Actions taken by Statutory/Regulatory Authorities

Nil

3. Tax Proceedings

Below are the details of pending tax cases involving our Company, specifying the number of cases pending and the total amount involved:

| Particulars | Number of cases | (₹ in lacs) |
|---------------------|-----------------|------------------|
| | | Amount involved* |
| Indirect Tax | | |
| Sales Tax/VAT | Nil | Nil |
| Central Excise | Nil | Nil |
| Customs | Nil | Nil |
| Service Tax | Nil | Nil |

| Particulars | Number of cases | Amount involved* |
|---------------------------------|------------------------|-------------------------|
| Total | Nil | Nil |
| Direct Tax | | |
| Cases filed against our Company | 5 | 1.35 |
| Cases filed by our Company | Nil | Nil |
| Total | 5 | 1.35 |

**To the extent quantifiable*

4. *Other Material Litigations*

Nil

5. *Disciplinary action against our Company by SEBI or any stock exchange in the last five Fiscals*

Nil

ii. Litigation by our Company

1. *Criminal Proceedings*

Nil

2. *Civil and other Material Litigations*

Nil

2. LITIGATION INVOLVING OUR PROMOTERS

Cases filed against our Promoters

1. *Criminal Proceedings*

Nil

2. *Actions taken by Statutory/Regulatory Authorities*

Nil

3. *Tax Proceedings*

Below are the details of pending tax cases involving our Promoters, specifying the number of cases pending and the total amount involved:

| Particulars | Number of cases | Amount involved* |
|-----------------------------------|------------------------|-------------------------|
| <i>(₹ in lacs)</i> | | |
| Indirect Tax | | |
| Sales Tax/VAT | Nil | Nil |
| Central Excise | Nil | Nil |
| Customs | Nil | Nil |
| Service Tax | Nil | Nil |
| Total | Nil | Nil |
| Direct Tax | | |
| Cases filed against our Promoters | Nil | Nil |
| Cases filed by our Promoters | Nil | Nil |
| Total | Nil | Nil |

**To the extent quantifiable*

4. *Other Material Litigations*

Nil

Cases filed by our Promoters

1. *Criminal Proceedings*

Nil

2. *Other Material Litigations*

Nil

Disciplinary action against our Promoters by SEBI or any stock exchange in the last five Fiscals

As on date of this Draft Prospectus, no disciplinary action including penalty imposed by SEBI or stock exchanges has been initiated against our Promoters in the last five Fiscals including any outstanding action.

3. LITIGATION INVOLVING OUR DIRECTORS

Cases filed against our Directors

1. *Criminal Proceedings*

Nil

2. *Actions taken by Statutory/Regulatory Authorities*

Nil

3. *Tax Proceedings*

Below are the details of pending tax cases involving our Directors, specifying the number of cases pending and the total amount involved:

| Particulars | Number of cases | <i>(₹ in lacs)</i> |
|-----------------------------------|------------------------|-------------------------|
| | | Amount involved* |
| <i>Indirect Tax</i> | | |
| Sales Tax/VAT | Nil | Nil |
| Central Excise | Nil | Nil |
| Customs | Nil | Nil |
| Service Tax | Nil | Nil |
| Total | Nil | Nil |
| <i>Direct Tax</i> | | |
| Cases filed against our Directors | Nil | Nil |
| Cases filed by our Directors | Nil | Nil |
| Total | Nil | Nil |

**To the extent quantifiable*

3. *Disciplinary action by SEBI or any stock exchange in the last five Fiscals*

Nil

4. *Other Material Litigations*

Nil

Cases filed by our Directors

1. *Criminal Proceedings*

Nil

2. *Other Material Litigations*

Nil

4. LITIGATION INVOLVING OUR SUBSIDIARY

As on date of this Draft Red Herring Prospectus, our Company does not have a subsidiary.

5. LITIGATION INVOLVING OUR GROUP COMPANY

As on date of this Draft Red Herring Prospectus, our Company does not have a Group Company.

6. OUTSTANDING DUES TO SMALL SCALE UNDERTAKINGS OR ANY OTHER CREDITORS

In terms of the Materiality Policy dated September 2, 2024 our Company has two (2) material creditor, as on date of this Draft Red Herring Prospectus.

Details of amounts outstanding to creditors is as follows:

| | (₹ in lacs) | |
|--|-------------------------|---------------|
| Particulars | No. of Creditors | Amount |
| Outstanding dues to material creditors | 2 | 325.27 |
| Outstanding dues to small scale undertakings | - | - |
| Outstanding dues to other creditors | 76 | 163.64 |
| Total outstanding dues | 78 | 488.91 |

Complete details of outstanding dues to our creditors as on June 30, 2024 are available at the website of our Company, www.sawaliyafood.com. Information provided on the website of our Company is not a part of this Draft Prospectus and should not be deemed to be incorporated by reference. Anyone placing reliance on any other source of information, including our Company's website, www.sawaliyafood.com, would be doing so at their own risk. For further details, refer to the section titled "*Financial Information*" on page 183 of this Draft Red Herring Prospectus.

7. MATERIAL DEVELOPMENT SINCE JUNE 30, 2024

There have not arisen, since the date of the last financial statements disclosed in this Draft Red Herring Prospectus, any circumstances which materially and adversely affect or are likely to affect our profitability taken as a whole or the value of our consolidated assets or our ability to pay our liabilities within the next 12 months. For further details, please refer to the chapter titled "*Management's Discussion and Analysis of Financial Position and Results of Operations*" on page 218 of this Draft Red Herring Prospectus.

GOVERNMENT AND OTHER STATUTORY APPROVALS

We are required to obtain consents, licenses, registrations, permissions and approvals for carrying out our present business activities. Our Company has obtained the necessary material consents, licenses, permissions and approvals from the Government and various Government agencies required for our present business and carrying on our business activities. For details in connection with the regulatory and legal framework within which we operate, please refer to the chapter “Key Industrial Regulations and Policies” on page 151 of this Draft Red Herring Prospectus. The main objects clause of the Memorandum of Association and objects incidental to the main objects enable our Company to carry out its activities.

The following statements set out the details of licenses, permissions and approvals taken by our Company under various central and state laws for carrying out the business:

II. Offer related Approvals

For the approvals and authorizations obtained by our Company in relation to the Offer, see “**Other Regulatory and Statutory Disclosures – Authority for the Offer**” on page 242 of this Draft Red Herring Prospectus.

III. Approvals from the Stock Exchanges

- a) Our Company has received an in-principle approval from Emerge Platform of National Stock Exchange of India Limited dated [●] for listing of Equity Shares issued pursuant to the Issue.
- b) Our Company’s ISIN is INE10VS01016.

IV. General Approvals

- a) Certificate of incorporation dated July 1, 2014 under the Companies Act, 2013 issued by Registrar of Companies, Madhya Pradesh.
- b) Fresh Certificate of Incorporation dated July 15, 2024 issued under the Companies Act, 2013 issued by Registrar of Companies, Central Processing Centre, consequent to conversion of our Company from a private limited company to a public limited company.
- c) Letter dated February 8, 2024 issued under the Employees’ Provident Funds and Miscellaneous Provisions Act, 1952 by the Employees’ Provident Fund Organisation for allotting code number MPIND3200053000 to our Company.
- d) Letter dated February 8, 2024 issued by the Employees’ State Insurance Corporation under the Employees’ State Insurance Act, 1948 for allotting code number 18000513050000999 to our Company.
- e) Certificate of Importer-Exporter Code dated August 27, 2014 and last modified on May 23, 2023 bearing file number INRIECPAMEND00001112AM24 issued by Office of the Zonal Director General of Foreign Trade, Ministry of Commerce and Industry, Government of India for the purpose of allotting IEC number 5614002189 to our Company.
- f) Udyam Registration Certificate dated November 18, 2020 issued by the Ministry of Micro, Small and Medium Enterprises, Government of India for allotting udyam registration number UDYAM-MP-23-0006567, to our Company.
- g) Legal Entity Identifier certificate dated April 13, 2024 issued by the LEI Register India Private Limited for the purpose of allotting LEI no. 894500E1NEXODM4HAL40 to our Company.

V. Tax Related Approvals

- a) Our Company’s Permanent Account Number issued by the Income Tax Department is AAUCS7045J.
- b) Our Company’s Tax Deduction and Collection Number dated September 17, 2014 issued by the Income Tax Department is BPLS16004C.

- c) Registration certificate dated January 7, 2021 issued by the Government of India under the Central Goods and Services Tax Act, 2017 for allotting registration number 23AAUCS7045J1ZU (Madhya Pradesh) to our Company.

VI. Business and Project Related Approvals

As mentioned hereinabove, we require various approvals, licenses, registrations and permits to carry on our operations in India and for executing business projects awarded to our Company. Some of these may expire in the ordinary course of business and applications for renewal of such approvals are submitted in accordance with applicable procedures and requirements. An indicative list of the material approvals required by our Company for conducting our operations is provided below:

| Sr. No. | Type of License/Approval | Issuing Authority | Reference / Registration / License No. | Date of Issue/Renewal | Valid up to |
|---------|---|--|--|-----------------------|-------------------------------------|
| 1. | Consent to establish issued under Section 25 of the Water (Prevention and Control of Pollution) Act, 1974 and under Section 21 of the Air (Prevention and Control of Pollution) Act, 1981 | Madhya Pradesh Pollution Control Board | Consent No: CTE-112269 Outward No: 16551 PCB Id: 32023 | April 26, 2023 | Valid until cancelled or modified |
| 2. | Consent to operate issued under Section 25 of the Water (Prevention and Control of Pollution) Act, 1974 and under Section 21 of the Air (Prevention and Control of Pollution) Act, 1981 | Madhya Pradesh Pollution Control Board | AW-118164 Outward No: 16903 PCB Id: 32023 | December 29, 2023 | April 30, 2025 |
| 3. | License to Work a Factory issued under Factories Act, 1948. | Jt. Chief Inspector of Factories, Madhya Pradesh | Factory Id: FAC1611950 Licence No: 03/15809/DHR/2m(i) Nic Number: 10309 | August 21, 2024 | December 31, 2024 |
| 4. | Certificate of Registration issued under rule 27 of the Legal Metrology (Packaged Commodities) Rules, 2011 | Deputy Director (LM), Weights and Measures Unit, Department of Consumer Affairs, Ministry of Consumer Affairs, Foods and Public Distribution, Government of India. | GOI/MP/2023/2042 | April 6, 2023 | Valid until cancelled or modified - |
| 5. | License under Food Safety and Standards Act, 2006 (Central License) to carry on the business of manufacturing, exporting, importing, trading of dehydrated fruits and vegetables | Designated Officer, Food Safety and Standards Authority of India, Government of India. | 10019026001401 | December 14, 2023 | January 2, 2027 |
| 6. | Certificate of Registration pursuant to Federal Food Drug and Cosmetic Act as amended by the Bioterrorism Act of 2002 and the FDA Food Safety Modernization Act. | U.S. Food and Drug Administration (US FDA) | U.S. FDA Reg. No.: 13915865732 U.S. FDA UFI (DUNS) No.: 675487930 | October 5, 2023 | December 31, 2024 |
| 7. | Kosher Certificate | London Beth Din Kashrut Division (KLBD) | 14868562 | February 2, 2024 | February 1, 2025 |

| Sr. No. | Type of License/Approval | Issuing Authority | Reference / Registration / License No. | Date of Issue/Renewal | Valid up to |
|---------|---|--|--|---|-----------------------------------|
| 8. | Approval of development construction under Madhya Pradesh Land Development Rule, 2012 under Municipal Corporation Act, 1961. | Chief Municipal Officer, Municipal Council, Office Municipal Palima Parishad, District Dhar (M.P.) | 7342/945/14 | January 22, 2023 | - |
| 9. | Sanction of additional power 250 KVA over & above 250 KVA on 33 KV | Office of the Superintending Engineer (O&M), M.P.P.K.V.V. CO. LTD. GPH POLOGROUND INDORE | No./S.E./O&MCOM/H T/D-46/2023-2 4/10391 | February 22, 2024 | - |
| 10. | Registration - cum - Membership Certificate issued for Fresh Onions, Other Fresh Vegetables, Fresh Mangoes, Fresh Grapes, Other Fresh Fruits, Dried & Preserved Vegetables, Other Processed Fruits Vegetables | Agricultural and Processed Food Products Export Development Authority, Bhopal | File No.: RCMCRENEWAPEDA 00057318AM25 | September 9, 2024 | September 8, 2029 |
| 11. | Certificate of Registration to certify that the Management System of our Company has been formally assessed and found to comply with the requirements of HACCP (Hazard Analysis and Critical Control Points) for the scope of Manufacturing of Dehydrated Vegetables. | International Certification & Inspection UK Limited | ICI/9071625/24 | September 12, 2024 First Surveillance Audit on or before: August 12, 2025 Second Surveillance Audit on or before: August 12, 2026 | September 11, 2027 |
| 12. | Certificate of Registration to certify that the Management System of our Company has been audited by ICV and found to be in compliance with the requirements of the standard ISO 22000 : 2018 (Food Safety Management Systems) for the scope of Manufacturing of Dehydrated Vegetables. | ICV ASSESSMENTS PVT. LTD. | IN/76014908/1345 | September 12, 2024 1st Surveillance Due: August 12, 2025 2nd Surveillance Due: August 12, 2026 | September 11, 2027 |
| 13. | Certificate issued for confirming the compliance of the Diesel Generator set with the Central Pollution Control Board (CPCB) norms as per the Environment (Protection) Rules 1986. | Cummins India Limited | - | September, 2024 | Valid until modified or cancelled |
| 14. | No-Objection certificate for extraction of ground water | Office of Municipal Council, Pithampura, Dhar | 75/1A/2024 | September 12, 2024 | Valid until modified or cancelled |

VII. Intellectual Property Related Approvals

As on date of this Draft Red Herring Prospectus, our Company has not obtained or applied for registration of any of its intellectual property.

VIII. Licenses/ Approvals for which applications have been made by our Company and are pending:

1. Our Company has made an application dated September 18, 2024 vide application no. 6100017105 before the Nagar Palika, Government of Madhya Pradesh for obtaining Fire NOC under the provision of Madhya Pradesh Land Development Rules.
2. Our Company has made an application dated October 7, 2024 before the Madhya Pradesh Pollution Control Board for amending its existing consent to establish issued under Section 25 of the Water (Prevention and Control of Pollution) Act, 1974 and under Section 21 of the Air (Prevention and Control of Pollution) Act, 1981, by increasing the installed capacity of the existing manufacturing unit to 500 M.T.

IX. Licenses / approvals which have expired and for which renewal applications have not been made by our Company.

Nil

X. Licenses / Approvals which are required but not yet applied for by our Company:

1. Our Company is yet to make an application before the Madhya Pradesh Pollution Control Board seeking amendment in the installed capacity of its manufacturing unit, in the consent to operate issued under Section 25 of the Water (Prevention and Control of Pollution) Act, 1974 and under Section 21 of the Air (Prevention and Control of Pollution) Act, 1981.
2. Our Company is yet to apply for change of our name on its licenses pursuant to its conversion into a public limited company.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Offer

Corporate Approvals:

The present Offer has been authorized pursuant to a resolution of our Board dated September 23, 2024 and pursuant to a special resolution of our Shareholders passed in an Extra-Ordinary General Meeting dated September 26, 2024 under Section 62(1)(c) of the Companies Act, 2013.

Offer for Sale:

Each of the Selling Shareholders have, severally and not jointly, confirmed and authorised the transfer of its respective proportion of the Offered Shares pursuant to the Offer for Sale, as set out below:

| Name of the Selling Shareholder | Type | Date of Authorization Letter | Equity Shares of face value of ₹ 10 each held as of date of the DRHP | Equity Shares of face value of ₹ 10 each offered by way of Offer for Sale | % of the pre-Offer paid-up Equity Share capital |
|--|-------------|-------------------------------------|---|--|--|
| Raghav Somani | Promoter | September 27, 2024 | 30,72,476 | Upto 1,50,000 | 42.00 |
| Priya Somani | Promoter | September 27, 2024 | 30,72,462 | Upto 1,50,000 | 42.00 |

Each of the Selling Shareholders, severally and not jointly, confirm that it is in compliance with Regulation 8 of the SEBI (ICDR) Regulations, 2018 and it has held its respective portion of the Offered Shares for a period of at least one year prior to the date of filing of the Draft Red Herring Prospectus.

In-principle Approval:

Our Company has received an In-Principle Approval letter dated [●] from NSE for using its name in this Draft Red Herring Prospectus for listing our shares on the Emerge Platform of NSE. NSE is the Designated Stock Exchange for the purpose of this Offer.

Prohibition by securities market regulators

Our Company, Promoters, each of the Selling Shareholders, Directors, members of our Promoter Group, the persons in control of our Company, as applicable, are not prohibited from accessing the capital market or debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any other jurisdiction or any other authority/court. There are no violations of securities laws committed by them in the past or are pending against them.

Our Directors and Promoters are not directors or promoters of any other company which has been debarred from accessing the capital markets by SEBI. Further, there has been no violation of any securities law committed by any of them in the past and no such proceedings are currently pending against any of them.

Our Company, Promoters and Directors have not been declared as Wilful Defaulters or Fraudulent Borrowers by any bank or financial institution or consortium thereof in accordance with the guidelines on Wilful Defaulters or Fraudulent Borrowers issued by the RBI.

Our Promoters or Directors have not been declared as Fugitive Economic Offenders.

Confirmations

1. Our Company, our Promoters and Promoter's Group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018.
2. None of the Directors in any manner associated with any entities which are engaged in securities market related business and are registered with the SEBI in the past five years.
3. There has been no action taken by SEBI against any of our Directors or any entity with which our Directors are associated as Promoters or directors.

Prohibition by RBI or governmental authority

Neither our Company, nor our Promoters, nor the relatives (as defined under the Companies Act) of our Promoters, nor

Group Companies/Entities have been identified as wilful defaulters or Fraudulent Borrowers by the RBI or any other governmental authority.

Eligibility for the Offer

Our Company is not ineligible in terms of Regulations 228 of SEBI ICDR Regulations for this Offer as:

- Neither our Company, nor any of its Promoters, who are also the Selling Shareholders, Promoter Group or Directors are debarred from accessing the capital market by the Board.
- Neither our Promoters, who are also the Selling Shareholders, nor any Directors of our Company is a promoter or director of any other company which is debarred from accessing the capital market by the Board.
- Neither our Promoters, who are also the Selling Shareholders, nor any of our directors are declared as Fugitive Economic Offender.
- Neither our Company, nor our Promoters, who are also the Selling Shareholders, relatives (as defined under the Companies Act, 2013) of our Promoters nor our directors, are Wilful Defaulters or a fraudulent borrower.

Our Company is eligible for the Offer in accordance with Regulation 229(1) and other provisions of Chapter IX of the SEBI (ICDR) Regulations 2018, as we are an Issuer whose post Offer face value paid-up capital shall be up to ₹ 1,000 lakhs can issue Equity Shares to the public and propose to list the same on the EMERGE Platform of National Stock Exchange of India Limited.

Our Company also complies with the eligibility conditions laid by the Emerge Platform of National Stock Exchange of India Limited for listing of our Equity Shares. The point wise Criteria for Emerge Platform of National Stock Exchange of India Limited and compliance thereof are given hereunder:

1. The Issuer should be a company incorporated under the Companies Act 1956 / 2013 in India.

Our Company is incorporated under the Companies Act, 2013.

2. The post Offer paid up capital of the company shall not be more than ₹ 25.00 Crore.

The present paid-up capital of our Company is ₹ 731.54 lakhs and we are proposing issue upto 29,03,000 Equity Shares of ₹ 10/- each at Issue price of ₹ [●] per Equity Share including share premium of ₹ [●] per Equity Share, aggregating up to ₹ [●] lakhs. Hence, our Post Offer Paid up Capital will be upto ₹ ₹ 991.84 lakhs. Accordingly, our Company has fulfilled the criteria of post Offer paid up capital prescribed under Regulation 229(1) of the SEBI ICDR Regulations.

3. Track Record

A. The company should have a track record of at least 3 years.

Our Company 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. According to that, our Company has a track record of three as on date of filing of this Draft Red Herring Prospectus.

B. The company/entity should have operating profit (earnings before interest, depreciation and tax) from operations for at least any 2 out of 3 financial years preceding the application and its net-worth should be positive.

Our Company satisfies the criteria of track record which given hereunder based on Restated Financial Statement.

(₹ In lakh)

| Particulars | Three month period ended June 30, 2024 | For the year ended March 31, 2024 | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|--|--|-----------------------------------|-----------------------------------|-----------------------------------|
| Operating profit (earnings before interest, depreciation and tax and other income) from operations | 259.78 | 597.68 | 161.05 | 140.71 |
| Net Worth as per Restated Financial Statement | 736.52 | 587.53 | 258.31 | 198.90 |

4. The company/entity should have positive Free cash flow to Equity (FCFE) for at least 2 out of 3 financial years preceding the application.

(₹ In lakh)

| Particulars | Three month period ended June 30, 2024 | For the year ended March 31, 2024 | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---------------------------------|--|-----------------------------------|-----------------------------------|-----------------------------------|
| Free cash flow to Equity (FCFE) | 248.87 | 22.31 | 228.95 | 32.73 |

5. Other Requirements

We confirm that:

- i. The Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR) or no proceedings have been admitted under Insolvency and Bankruptcy Code against the issuer.
- ii. There is no winding up petition against the company, which has been admitted by the court or a liquidator has not been appointed.
- iii. No material regulatory or disciplinary action by a stock exchange or regulatory authority in the past three years against our company.
- iv. We ensure that none of the Merchant Bankers involved in the IPO should have instances of any of their IPO draft Offer document filed with the Exchange being returned in the past 6 months from the date of application.
- v. Our company has facilitated trading in demat securities and has entered into an agreement with both the depositories
- vi. There has been no change in the Promoters of the Company in the preceding one year from date of filing application to NSE for listing on NSE EMERGE.

6. The Company has a website: www.sawaliyafood.com

7. Disclosures

We confirm that:

- i. There is no material regulatory or disciplinary action taken by a stock exchange or regulatory authority in the past one year in respect of Promoters/promoting company(ies), companies promoted by the Promoters/promoting companies of the Company.
- ii. There is no default in payment of interest and/or principal to the debenture/bond/fixed deposit holders, banks, FIs by the Company, Promoters/promoting company(ies), companies promoted by the Promoters/promoting Company(ies) during the past three years.
- iii. There are no litigations record against the applicant, Promoters/promoting company(ies), companies & promoted by the Promoters/promoting company(ies).
- iv. There are no criminal cases/investigation/offences filed against the director of the Company.

In terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, we confirm that:

1. In accordance with regulation 260 of the SEBI ICDR Regulations, this Offer is 100% underwritten in compliance of Regulations 260(1) and 260(2) of the SEBI (ICDR) Regulations, 2018. For details pertaining to underwriting, please refer to Section titled “General Information” beginning on page 69 of this Draft Red Herring Prospectus.
2. In accordance with Regulation 261 of the SEBI (ICDR) Regulations, 2018, the BRLM will ensure compulsory market making for a minimum period of three years from the date of listing of Equity Shares Issue in the Initial Public Offer. For details of the market making arrangement, see Section titled “General Information” beginning on page 69 of this Draft Red Herring Prospectus.
3. In accordance with Regulation 268 of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed Allottees in the issue shall be greater than or equal to fifty (50), otherwise, the entire application money will be refunded within 4 (Four) days of such intimation. If such money is not repaid within 4 (Four) days from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of 4 (Four) days, be liable to repay such application money, with interest at the rate 15% per annum. Further, in accordance with Section 40 of the Companies Act, 2013, the Company and each officer in default may be punishable with fine and/or imprisonment in such a case.
4. In accordance with Regulation 246 the SEBI (ICDR) Regulations, 2018, we shall also ensure that we submit the soft copy of the Red Herring Prospectus through the BRLM immediately upon registration of the Red Herring Prospectus with the Registrar of Companies along with a Due Diligence Certificate including additional confirmations. However, SEBI shall not issue any observation on the Red Herring Prospectus.

We further confirm that we shall be complying with all the other requirements as laid down for such an Offer under Chapter IX of SEBI (ICDR) Regulations, 2018 as amended from time to time and Subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

SEBI DISCLAIMER CLAUSE

“IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT RED HERRING PROSPECTUS TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGER HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED OFFER.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE OUR COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT RED HERRING PROSPECTUS AND EACH OF THE SELLING SHAREHOLDERS WILL BE RESPONSIBLE ONLY FOR THE STATEMENTS SPECIFICALLY CONFIRMED OR UNDERTAKEN BY IT IN THIS DRAFT RED HERRING PROSPECTUS IN RELATION TO ITSELF OR ITS RESPECTIVE PORTION OF THE OFFERED SHARES, THE BOOK RUNNING LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT OUR COMPANY AND THE SELLING SHAREHOLDERS DISCHARGE THEIR RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGER HAS FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED OCTOBER 15, 2024.

THE FILING OF THE DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE ISSUER FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED OFFER. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE BOOK RUNNING LEAD MANAGER, ANY IRREGULARITIES OR LAPSES IN THE DRAFT RED HERRING PROSPECTUS.

ALL LEGAL REQUIREMENTS PERTAINING TO THIS OFFER WILL BE COMPLIED WITH AT THE TIME OF FILING OF THE PROSPECTUS WITH THE REGISTRAR OF COMPANIES, MADHYA PRADESH AT GWALIOR, IN TERMS OF SECTION 26, 30 AND SECTION 32 OF THE COMPANIES ACT, 2013.

Disclaimer clause of SME Platform of the NSE

As required, a copy of this Draft Red Herring Prospectus has been submitted to NSE. The disclaimer clause as intimated by NSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to the filing with the RoC.

Disclaimer from our Company, our Directors, the Selling Shareholders and BRLM

Our Company, the Directors and the Book Running Lead Manager accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our Company's website, www.sawaliyafood.com, or the websites of the members of our Promoter Group or the Selling Shareholders would be doing so at his or her own risk.

Each of the Selling Shareholders, severally and not jointly, is providing information in this Draft Red Herring Prospectus only in relation to itself as a Selling Shareholder and its respective portion of the Offered Shares, and each of the Selling Shareholders, including its directors, partners, affiliates, associates and officers, accepts and/or undertakes no responsibility for any statements made or undertakings provided, including without limitation, any statement made by or in relation to our Company or its business, other than those specifically undertaken or confirmed by it as a Selling Shareholder and its respective portion of the Offered Shares in this Draft Red Herring Prospectus.

The Book Running Lead Manager accepts no responsibility, save to the limited extent as provided in the Offer Agreement entered between the BRLM (Unistone Capital Private Limited) and our Company and Selling Shareholders of the Company on October 11, 2024 and as will be provided in the Underwriting Agreement dated [●], 2024 entered into among

the Underwriters, the Selling Shareholders and our Company and the Market Making Agreement dated [●] entered into among the Market Maker, BRLM and our Company.

All information shall be made available by our Company, each of the Selling Shareholders (to the extent that the information pertains to itself and its respective portion of the Offered Shares) and the Book Running Lead Manager to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at Bidding Centres or elsewhere.

Bidders will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, Underwriters and their respective directors, partners, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, allot, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Selling Shareholders, Underwriters and their respective directors, partners, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

Disclaimer clause of the Selling Shareholders

The Selling Shareholders will be severally responsible for the respective statements confirmed or undertaken by it in this Draft Red Herring Prospectus in relation to itself and its respective portion of the offered shares.

Note:

Investors who apply in the Offer will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, the Underwriter and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company and will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company, the Selling Shareholders, the Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares in the Offer. The Book Running Lead Manager and its respective associates and affiliates may engage in transactions with, and perform services for, our Company, the Selling Shareholders, our Promoter Group, or our affiliates or associates in the ordinary course of business and have engaged, or may in future engage, in commercial banking and investment banking transactions with our Company, the Selling Shareholders, our Promoter Group, and our affiliates or associates, for which they have received and may in future receive compensation.

Disclaimer in respect of jurisdiction

This Offer is being made in India to persons resident in India including Indian nationals resident in India who are not minors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian mutual funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under the applicable trust law and who are authorized under their constitution to hold and invest in shares, and any FII sub-account registered with SEBI which is a foreign corporate or Foreign individual, permitted insurance companies and pension funds and to FIIs and Eligible NRIs. This Draft Red Herring Prospectus does not, however, constitute an invitation to subscribe to Equity Shares Offered hereby in any other jurisdiction to any person to whom it is unlawful to make an Offer or invitation in such jurisdiction. Any person into whose possession the Draft Red Herring Prospectus comes is required to inform him or herself about and to observe, any such restrictions. Any dispute arising out of this Offer will be subject to the jurisdiction of appropriate court(s) in Mumbai only.

No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose.

Accordingly, our Company's Equity Shares, represented thereby may not be offered or sold, directly or indirectly, and Draft Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of Draft Red Herring Prospectus nor any sale here under shall, under any circumstances, create any implication that there has been any change in our Company's affairs from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

Disclaimer clause under Rule 144A of the U.S. Securities Act, 1993

The Equity Shares have not been and will not be registered under the U.S. Securities Act 1933, as amended (the “**Securities Act**”) or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, “U.S. persons” (as defined in Regulation S of the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold (i) in the United States only to “qualified institutional buyers”, as defined in Rule 144A of the Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and in compliance with the applicable laws of the jurisdiction where those offers and sales occur.

Accordingly, the Equity Shares are being offered and sold only outside the United States in offshore transactions in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur.

The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction. Further, each applicant, wherever requires, agrees that such applicant will not sell or transfer any Equity Share or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws and legislations in each jurisdiction, including India.

Filing of Draft Red Herring Prospectus/Red Herring Prospectus/Prospectus with the Board and the Registrar of Companies

The Draft Red Herring Prospectus will not be filed with SEBI, nor will SEBI issue any observation on the Offer Document in terms of Regulation 246 (2) of SEBI ICDR Regulations. Pursuant to SEBI Master Circular, a copy of the Red Herring Prospectus/ Prospectus will be filed online through SEBI Intermediary Portal at <https://siportal.sebi.gov.in>. Further, a copy of Red Herring Prospectus/ Prospectus, will also be filed with the Emerge Platform of National Stock Exchange of India Limited, where the Equity Shares are proposed to be listed.

A copy of the Red Herring Prospectus, along with the material contracts, documents and the Prospectus will also be filed with the RoC under Section 26 and Section 32 of the Companies Act, 2013 and through the electronic portal at <http://www.mca.gov.in/mcafoportal/loginvalidateuser.do>.

Listing

Application is to be made to the Emerge Platform of NSE for obtaining permission to deal in and for an official quotation of our Equity Shares. NSE is the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Offer.

Our Company has received an In-Principle Approval letter dated [●] from NSE for using its name in this offer document for listing our shares on the Emerge Platform of NSE.

If the permissions to deal in and for an official quotation of our Equity Shares are not granted by the NSE, the Company shall refund through verifiable means the entire monies received within Four days of receipt of intimation from stock exchanges rejecting the application for listing of specified securities, and if any such money is not repaid within four day after the company becomes liable to repay it the company and every director of the company who is an officer in default shall, on and from the expiry of the fourth day, be jointly and severally liable to repay that money with interest at the rate of fifteen per cent per annum.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Emerge Platform of NSE mentioned above are taken within three Working Days from the Offer Closing Date.

Impersonation

Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

“Any person who –

- a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities, or
- b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or

- c) Otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under section 447.”

The liability prescribed under Section 447 of the Companies Act, 2013 - any person who is found to be guilty of fraud involving an amount of at least ten lakh rupees or one per cent. of the turnover of the company, whichever is lower shall be punishable with imprisonment for a term which shall not be less than six months but which may extend to ten years (provided that where the fraud involves public interest, such term shall not be less than three years) and shall also be liable to fine which shall not be less than the amount involved in the fraud, but which may extend to three times the amount involved in the fraud.

Provided further that where the fraud involves an amount less than ten lakh rupees or one per cent. of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to fifty lakh rupees or with both.

Consents

The written consents of Promoters, who are also the Selling Shareholders, Directors, Company Secretary and Compliance Officer, Chief Financial Officer, Statutory Auditor, Bankers to the Company, Legal Advisor to the Offer, the BRLM to the Offer, Registrar to the Offer, Market Maker, Banker to the Offer*, Syndicate Members*, Share Escrow Agent*, and Underwriter* to act in their respective capacities have been obtained.

**To be obtained at the RHP stage*

Above consents will be filed along with a copy of the Red Herring Prospectus with the ROC, as required under Sections 26 and 32 of the Companies Act, 2013 and such consents have not been withdrawn up to the time of delivery of the Red Herring Prospectus for registration with the ROC.

Our Company has received written consent dated October 9, 2024 from the Statutory Auditors to include their name as required under Section 26(5) of the Companies Act 2013 read with SEBI ICDR Regulations in this Draft Red Herring Prospectus as an “expert” as defined under Section 2(38) of the Companies Act 2013 to the extent and in its capacity as an independent Statutory Auditor and in respect of its (i) examination report dated September 23, 2024 on our Restated Financial Information; and (ii) its report dated October 9, 2024 on the statement of special tax benefits in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

Our Company has received written consent dated October 2, 2024 from Mayank Maithil, Independent Chartered Engineer, to include their name as required under section 26 (5) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an “expert” as defined under section 2(38) of the Companies Act, 2013, in relation to and for the inclusion of (i) the certificate dated September 28, 2024 issued to certify the proposed capacity expansion in our current manufacturing unit; and (ii) certificate dated September 28, 2024 issued to certify the installed capacity and capacity utilization at our current manufacturing unit situated in Madhya Pradesh. We confirm that such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus, however, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act.

Expert Opinion

Except for the reports in the sections “*Statement of Possible Special Tax Benefits*”, “*Objects of the Offer*” and “*Financial Information*” on pages 113, 92 and 183, respectively of this Draft Red Herring Prospectus from the Statutory Auditor, our Company has not obtained any expert opinions. We have received written consent from the Statutory Auditor for inclusion of their name in this Draft Red Herring Prospectus, as required under Companies Act read with SEBI (ICDR) Regulations as “Expert”, defined in section 2(38) of the Companies Act and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act, 1933.

Previous Public or Rights Issue

Our Company has not made public issue or rights issue under SEBI ICDR Regulations, in the past. For details of previous issues undertaken by our Company, please refer chapter titled “*Capital Structure*” beginning on page 81 of this Draft Red Herring Prospectus.

Underwriting Commission, Brokerage and Selling Commission

We have not made any previous public Issue. Therefore, no sum has been paid or is payable as commission or brokerage for subscribing to or procuring for or agreeing to procure subscription for any of the Equity Shares of the Company since its inception.

Capital issue during the last three years

For details of the capital issued of our Company in past three years, please refer chapter titled “*Capital Structure*” beginning on page 81 of this Draft Red Herring Prospectus. Our Company does not have any associates, subsidiaries or listed group company, as of the date of this Draft Red Herring Prospectus.

Price information and the track record of the past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by the BRLM

| Sr. No. | Issue Name | Issue Size (₹ in Lakhs) | Issue price | Listing date | Opening price on listing date | +/- % change in closing price, [+/- % change in closing benchmark] - 30th calendar days from listing | +/- % change in closing price, [+/- % change in closing benchmark] - 90th calendar days from listing | +/- % change in closing price, [+/- % change in closing benchmark] - 180th calendar days from listing |
|---------------------|---|-------------------------|-------------|--------------------|-------------------------------|--|--|---|
| Main Board | | | | | | | | |
| 1 | Valiant Laboratories Limited | 15,246.00 | 140 | October 06, 2023 | 162.15 | 37.75% [-2.15%] | 24.89% [10.20%] | 12.04% [14.15%] |
| 2 | BLS E-Services Limited | 30,929.29 | 135 | February 06, 2024 | 305.00 | 138.04% [2.57%] | 117.59% [2.34%] | 64.86% [12.71%] |
| 3 | Exicom Tele-Systems Limited | 42,899.90 | 142 | March 05, 2024 | 265.00 | 46.41% [0.71%] | 113.49% [4.06%] | 171.51% [12.88%] |
| 4 | Platinum Industries Limited | 23,531.69 | 171 | March 05, 2024 | 225.00 | 19.36% [0.71%] | 15.32% [4.06%] | 143.19% [12.88%] |
| 5 | Saraswati Saree Depot Limited | 16,001.28 | 160 | August 20, 2024 | 194.00 | 6.98% [2.90%] | - | - |
| 6 | Shree Tirupati Balajee Agro Trading Company Limited | 16,965.20 | 83 | September 12, 2024 | 90.00 | -7.37% [-1.67%] | - | - |
| 7 | Arkade Developers Limited | 41,000.00 | 128 | September 24, 2024 | 175.00 | - | - | - |
| 8 | Diffusion Engineers Limited | 15,796.40 | 168 | October 04, 2024 | 193.50 | - | - | - |
| SME Platform | | | | | | | | |
| 1 | Manglam Infra & Engineering Limited | 2,761.92 | 56 | July 31, 2024 | 106.40 | 19.73% [1.14%] | - | - |
| 2 | Deccan Transcon Leasing Limited | 6,505.92 | 108 | September 24, 2024 | 116.00 | - | - | - |

Source: www.nseindia.com

(1) NSE as Designated Stock Exchange.

Notes:

- Issue size derived from Prospectus/final post issue reports, as available.
- The CNX NIFTY is considered as the Benchmark Index as per the Designated Stock Exchange disclosed by the respective Issuer at the time of the issue, as applicable.
- Price on NSE is considered for all of the above calculations as per the Designated Stock Exchange disclosed by the respective Issuer at the time of the issue, as applicable.
- In case 30th/90th/180th day is not a trading day, closing price of the previous trading day has been considered.
- Since 30 calendar days, 90 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available.
- Restricted to last 10 issues

Summary statement of price information of past public issues handled by Unistone Capital Private Limited

| Financial year | Total no. of IPO* | Total funds Raised (₹ in Lakhs) | Nos of IPOs trading at discount on 30th Calendar day from listing date | | | Nos of IPOs trading at premium on 30 th Calendar day from listing date | | | Nos of IPOs trading at discount on 180 th Calendar day from listing date | | | Nos of IPOs trading at premium on 180 th Calendar day from listing date | | |
|---------------------|-------------------|---------------------------------|--|----------------|---------------|---|----------------|---------------|---|----------------|---------------|--|----------------|---------------|
| | | | Over 50% | Between 25-50% | Less than 25% | Over 50% | Between 25-50% | Less than 25% | Over 50% | Between 25-50% | Less than 25% | Over 50% | Between 25-50% | Less than 25% |
| Main Board | | | | | | | | | | | | | | |
| FY 2022-23 | 1 | 15,498.00 | - | - | - | 1 | - | - | - | - | - | - | 1 | - |
| FY 2023-24 | 5 | 1,29,110.09 | - | - | - | 1 | 2 | 2 | - | - | - | 3 | 1 | 1 |
| FY 2024-25 | 4 | 89,762.88 | - | - | - | - | - | 1 | - | - | - | - | - | - |
| SME Platform | | | | | | | | | | | | | | |
| FY 2022-23 | 2 | 6,094.08 | - | - | - | - | 1 | 1 | - | - | - | - | 1 | 1 |
| FY 2023-24 | 5 | 16,925.97 | - | - | - | - | 2 | 3 | - | - | 1 | 2 | 1 | 1 |
| FY 2024-25 | 2 | 9,267.84 | - | - | - | - | - | 1 | - | - | - | - | - | - |

Performance Vis-A-Vis Objects

Except as stated in the chapter titled “*Capital Structure*” beginning on page 81 of this Draft Red Herring Prospectus, our Company has not undertaken any previous public or rights issue. None of the Entities or associates of our Company are listed on any stock exchange.

Performance Vis-À-Vis Objects –Public/ Rights Issue of Subsidiaries/ Listed Promoters

As on the date of this Draft Red Herring Prospectus, our Company does not have any subsidiaries. Further, we do not have a corporate promoter.

Stock Market Data for our Equity Shares

This being an initial public offering of the Equity Shares of our Company, the Equity Shares are not listed on any Stock Exchanges.

Mechanism for redressal of investor grievances

The Registrar Agreement provides for the retention of records with the Registrar to the Offer for a minimum period of three years from the date of listing and commencement of trading of the Equity Shares on the Stock Exchanges, subject to agreement with our Company for storage of such records for longer period, to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

In terms of SEBI Master Circular, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2021 and SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 subject to applicable law, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days. Further, the investors shall be compensated by the SCSBs at the rate higher of ₹100 per day or 15% per annum of the application amount in the events of delayed or withdrawal of applications, blocking of multiple amounts for the same UPI application, blocking of more amount than the application amount, delayed unblocking of amounts for non-allotted/partially allotted applications for the stipulated period. In an event there is a delay in redressal of the investor grievance in relation to unblocking of amounts, the Book Running Lead Manager shall compensate the investors at the rate higher of ₹100 per day or 15% per annum of the application amount.

SEBI pursuant to its circular bearing reference number SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 has reduced the time taken for listing of specified securities after the closure of public issue to 3 working days (T+3 days) as against the present requirement of 6 working days (T+6 days). ‘T’ being Offer closing date. In partial modification to circulars dated March 16, 2021 and April 20, 2022, the compensation to investors for delay in unblocking of ASBA application monies (if any) shall be computed from T+3 day. The provisions of this circular shall be applicable, on voluntary basis for public issues opening on or after September 1, 2023 and on mandatory basis for public issues opening on or after December 1, 2023. Our Company shall follow the timeline prescribed under the SEBI circular bearing number SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023. The timelines prescribed for

public issues as mentioned in SEBI circulars dated November 1, 2018, June 28, 2019, November 8, 2019, March 30, 2020, March 16, 2021, June 2, 2021, and April 20, 2022 shall stand modified to the extent stated in this Circular.

All grievances relating to the Offer may be addressed to the Registrar to the Offer, giving full details such as name, address of the applicant, Bid application number, number of Equity Shares Bid for, amount paid on Bid application and the bank branch or collection center where the application was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar to the Offer with a copy to the relevant SCSB or the member of the Syndicate (in Specified Cities) or the Sponsor Bank, as the case may be, where the Application Form was submitted by the ASBA Bidder or through UPI Mechanism, giving full details such as name, address of the Bidder, Bid application number, UPI Id, number of Equity Shares applied for, amount blocked on application and designated branch or the collection center of the SCSBs or the member of the Syndicate (in Specified Cities), as the case may be, where the Application Form was submitted by the ASBA Bidder or Sponsor Bank.

Our Company has obtained authentication on the SCORES in terms of SEBI circular no. CIR/OIAE/1/2013 dated April 17, 2013 and complied with the SEBI circular (CIR/OIAE/1/2014/CIR/OIAE/1/2013) dated December 18, 2014 in relation to redressal of investor grievances through SCORES. Our Company has not received any complaints as on the date of this Draft Red Herring Prospectus.

Disposal of investor grievances by our Company

Our Company estimates that the average time required by our Company or the Registrar to the Offer or the SCSB (in case of ASBA Bidders) or Sponsor Bank (in case of UPI Mechanism) or for redressal of routine investor grievances including through SEBI Complaint Redress System (SCORES) shall be 10 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has constituted Stakeholders Relationship Committee as follows:

| Name of the Director | Designation in the Committee | Nature of Directorship |
|-----------------------------|-------------------------------------|--------------------------------|
| Ravikant Gupta | Chairman | Independent Director |
| Shweta Bhamare | Member | Independent Director |
| Raghav Somani | Member | Chairman and Managing Director |

Our Company has appointed Namita Singh Rathour, the Company Secretary and Compliance Officer, who may be contacted in case of any pre-Offer or post-Offer related problems at the following address:

Namita Singh Rathour

Survey No. 9/2/1/2 Gavla,
Tehsil Pithampur, Dhar - 454 775,
Madhya Pradesh, India.
Telephone: +91 877 032 6514
Facsimile: N.A.
E-mail: cs@sawaliyafood.com

Till date of this Draft Red Herring Prospectus, our Company has not received any investor complaint and no complaints is pending for resolution.

Previous issues of equity shares otherwise than for cash

Except as stated in the chapter titled “*Capital Structure*” beginning on page 81 of this Draft Red Herring Prospectus, our Company has not issued any Equity Shares for consideration otherwise than for cash.

Listed ventures of Promoters

There are no listed ventures of our Company or of our Promoters as on date of filing of this Draft Red Herring Prospectus.

Outstanding debentures or bonds and redeemable preference shares and other instruments

There are no outstanding debentures or bonds or redeemable preference shares and other instruments issued by the Company as on the date of this Draft Red Herring Prospectus.

Exemption from complying with any provisions of securities laws, if any, granted by SEBI

Our Company has not applied or received any exemptions from SEBI from complying with any provisions of securities laws.

Other Confirmation

We confirm that there are no findings/observations of any regulators that are material, and which need to be disclosed or non-disclosure of which may have bearing on the investment decision. It is further confirmed that our Company has not received any findings/observations from SEBI, as on date.

SECTION VIII – OFFER INFORMATION

TERMS OF THE OFFER

The Equity Shares being Offered pursuant to this Offer shall be subject to the provision of the Companies Act, SEBI (ICDR) Regulations, 2018, SCRA, SCRR, Memorandum and Articles, the terms of this Draft Red Herring Prospectus, Application Form, the Revision Form, the Confirmation of Allocation Note ('CAN') and other terms and conditions as may be incorporated in the Allotment advices and other documents/ certificates that may be executed in respect of the Offer. The Equity Shares shall also be subject to laws, guidelines, rules, notifications, and regulations relating to the issue of capital and listing of securities issued from time to time by SEBI, the Government of India, NSE, ROC, RBI and / or other authorities, as in force on the date of the Issue and to the extent applicable.

Please note that, in accordance with the Regulation 256 of the SEBI (ICDR), Regulations, 2018 read with SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants has to compulsorily apply through the ASBA Process. As an alternate payment mechanism, Unified Payments Interface (UPI) has been introduced (vide SEBI Circular Ref: SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018) as a payment mechanism in a phased manner with ASBA for applications in public Issues by retail individual investors through intermediaries (Syndicate members, Registered Stock-Brokers, Registrar and Transfer agent and Depository Participants).

Further, vide the said circular, Registrar to the Offer and Depository Participants have been also authorised to collect the Application forms. Investors may visit the official website of the concerned stock exchange for any information on operationalization of this facility of form collection by Registrar to the Offer and DPs as and when the same is made available.

Authority for the Offer

Corporate Approvals:

The present Offer has been authorized pursuant to a resolution of our Board dated September 23, 2024 and pursuant to a special resolution of our Shareholders passed in an Extra-Ordinary General Meeting dated September 26, 2024 under Section 62(1)(c) of the Companies Act, 2013.

Offer for Sale:

Each of the Selling Shareholders have, severally and not jointly, confirmed and authorised the transfer of its respective proportion of the Offered Shares pursuant to the Offer for Sale, as set out below:

| Name of the Selling Shareholder | Type | Date of Authorization Letter | Equity Shares of face value of ₹ 10 each held as of date of the DRHP | Equity Shares of face value of ₹ 10 each offered by way of Offer for Sale | % of the pre-Offer paid-up Equity Share capital |
|---------------------------------|----------|------------------------------|--|---|---|
| Raghav Somani | Promoter | September 27, 2024 | 30,72,476 | Upto 1,50,000 | 42.00 |
| Priya Somani | Promoter | September 27, 2024 | 30,72,462 | Upto 1,50,000 | 42.00 |

Each of the Selling Shareholders, severally and not jointly, confirm that it is in compliance with Regulation 8 of the SEBI (ICDR) Regulations, 2018 and it has held its respective portion of the Offered Shares for a period of at least one year prior to the date of filing of the Draft Red Herring Prospectus.

Ranking of Equity Shares

The Equity Shares being offered shall be subject to the provisions of the Companies Act, 2013 and our Memorandum and Articles of Association and shall rank *pari-passu* in all respects with the existing Equity Shares of our Company including in respect of the right to receive dividends and other corporate benefits, if any, declared by us after the date of Allotment. For further details, please refer to Section titled “Description of Equity Shares and terms of the Articles of Association” beginning on page 296 of the Draft Red Herring Prospectus.

Mode of Payment of Dividend

The declaration and payment of dividend will be as per the provisions of Companies Act, the Articles of Association, the provision of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and recommended by the Board of Directors and the Shareholders at their discretion and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. We shall pay dividends in cash and as per provisions of the Companies Act. For further details, please refer to chapter titled “Dividend Policy” beginning on page 182 of the Draft Red Herring Prospectus.

Face Value, Offer Price, Floor Price and Price Band

The face value of each Equity Share is ₹ 10/- and the Offer Price at the lower end of the Price Band is ₹ [●] per Equity Share (“**Floor Price**”) and at the higher end of the Price Band is ₹ [●] per Equity Share (“**Cap Price**”).

The Price Band and the minimum Bid Lot will be decided by our Company in consultation with the BRLM and 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), each with wide circulation, at least two Working Days prior to the Bid/Offer Opening Date and shall be made available to the Stock Exchange for the purpose of uploading on its websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre-filled in the Bid cum Application Forms available on the website of the Stock Exchange. The Offer Price shall be determined by our Company in consultation with the BRLM, after the Bid/Offer Closing Date, on the basis of assessment of market demand for the Equity Shares offered by way of Book Building Process.

At any given point of time, there shall be only one denomination of Equity Shares.

The Offer Price shall be determined by our Company in consultation with the Book Running Lead Manager and is justified under the chapter titled “*Basis of Offer Price*” beginning on page 106 of this Draft Red Herring Prospectus.

The Offer

The Offer comprises a Fresh issue by our Company and an Offer for Sale by the Selling Shareholders. Expenses for the Offer shall be shared amongst our Company and each of the Selling Shareholders in the manner specified in “*Objects of the Offer*” on page 92 of this Draft Red Herring Prospectus.

Compliance with SEBI (ICDR) Regulations

Our Company shall comply with all requirements of the SEBI (ICDR) Regulations, 2018. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to receive Annual Reports & notices to members;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offer for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation; subject to any statutory or preferential claims being satisfied;
- Right of free transferability of the Equity Shares; and
- Such other rights, as may be available to a shareholder of a listed Public Limited Company under the Companies Act, terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2018 and the Memorandum and Articles of Association of our Company.

Minimum Application Value, Market Lot and Trading Lot

In accordance with Regulation 267 (2) of the SEBI ICDR Regulations, our Company shall ensure that the minimum application size shall not be less than ₹ 1,00,000/- (Rupees One Lakh) per application.

Pursuant to Section 29 of the Companies Act, the Equity Shares shall be Allotted only in dematerialised form. As per SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form. In this context, two agreements will be signed by our Company with the respective Depositories and the Registrar to the Offer before filing this Draft Red Herring Prospectus:

- Tripartite agreement among the NSDL, our Company and Registrar to the Offer dated August 9, 2024.
- Tripartite agreement among the CDSL, our Company and Registrar to the Offer dated August 22, 2024.

As per the provisions of the Depositories Act, 1996 & regulations made there under and Section 29 (1) of the Companies Act, 2013, the equity shares of an issuer shall be in dematerialized form i.e. not in the form of physical certificates, but be fungible and be represented by the statement issued through electronic mode. The trading of the Equity Shares will happen in the minimum contract size of [●] Equity Shares of face value of ₹ 10 each and the same may be modified by the NSE from time to time by giving prior notice to investors at large. Allocation and allotment of Equity Shares through this Offer will be done in multiples of [●] Equity Shares of face value of ₹ 10 each subject to a minimum allotment of

[●] Equity Shares of face value of ₹ 10 each to the successful Applicants in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.

Minimum Number of Allottees

The minimum number of allottees in the Offer shall be 50 shareholders. In case, the number of prospective allottees is less than 50, no allotment will be made pursuant to this Offer and the amounts in the ASBA Account shall be unblocked forthwith.

Joint Holders

Where 2 (two) or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-holders with benefits of survivorship.

Jurisdiction

Exclusive Jurisdiction for the purpose of this Offer is with the competent courts/authorities in India.

The Equity Share have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States and may not be issued or sold within the United States or to, or for the account or benefit of, —U.S. personal (as defined in Regulation S), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being issued and sold only outside the United States in off-shore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those issues and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be issued or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Nomination Facility to Investor

In accordance with Section 72 of the Companies Act, 2013, the sole or first applicant, along with other joint applicant, may nominate any one person in whom, in the event of the death of sole applicant or in case of joint applicant, death of all the applicants, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 72 of the Companies Act, 2013 be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office of our Company or to the Registrar and Transfer Agent of our Company.

In accordance with Section 72 of the Companies Act, 2013, any Person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by the Board, elect either:

- To register himself or herself as the holder of the Equity Shares; or
- To make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 (ninety) days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the allotment of Equity Shares in the Offer is in dematerialized form, there is no need to make a separate nomination with us. Nominations registered with the respective depository participant of the applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.

Restrictions, if any on Transfer and Transmission of Equity Shares

Except for the lock-in of the pre-Offer capital of our Company, Promoter's minimum contribution as provided under the chapter titled "*Capital Structure*" on page 81 of this Draft Red Herring Prospectus and except as provided in the Articles of Association there are no restrictions on transfer of Equity Shares. Further, there are no restrictions on the transmission of shares/debentures and on their consolidation/splitting, except as provided in the Articles of Association. For details, please refer chapter titled "*Description of Equity Shares and terms of the articles of association*" on page 296 of this Draft Red Herring Prospectus.

The above information is given for the benefit of the Applicants. The Applicants are advised to make their own enquiries about the limits applicable to them. Our Company and the Book Running Lead Manager do not accept any responsibility

for the completeness and accuracy of the information stated herein above. Our Company and the Book Running Lead Manager are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of the Draft Red Herring Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares Applied for do not exceed the applicable limits under laws or regulations.

Withdrawal of the Offer

Our Company and the Selling Shareholders in consultation with the BRLM, reserve the right to not to proceed with the Offer after the Offer Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Offer advertisements were published, within two (2) days of the Offer Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer. The Book Running Lead Manager, through the Registrar to the Offer, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one (1) Working Day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchanges on which Equity Shares are proposed to be listed.

Notwithstanding the foregoing, this Offer is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchange, which our Company shall apply for after Allotment (ii) the final RoC approval of the Red Herring Prospectus after it is filed with the RoC. If our Company and the Selling Shareholders in consultation with BRLM withdraws the Offer after the Offer Closing Date and thereafter determines that it will proceed with an Offer/Offer for sale of the Equity Shares, our Company shall file a fresh Draft Red Herring Prospectus/Red Herring Prospectus with Stock Exchange.

OFFER PROGRAM

| Events | Indicative Dates |
|--|------------------|
| Bid/Offer Opening Date¹⁾ | [●] |
| Bid/Offer Closing Date | [●] |
| Finalization of Basis of Allotment with the Designated Stock Exchange | On or before [●] |
| Initiation of Allotment / Refunds / Unblocking of Funds from ASBA Account or UPI ID linked bank account | On or before [●] |
| Credit of Equity Shares to Demat accounts of Allottees | On or before [●] |
| Commencement of trading of the Equity Shares on the Stock Exchange | On or before [●] |

¹⁾Our Company in consultation with the Book Running Lead Manager, may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Offer date shall be one Working Day prior to the Bid/Offer Opening Date in accordance with the SEBI ICDR Regulations

****In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹ 100/- per day for the entire duration of delay exceeding four Working Days from the Bid/Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLM shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. For the avoidance of doubt, the provisions of the SEBI circular dated March 16, 2021, as amended pursuant to SEBI circular dated June 2, 2021 shall be deemed to be incorporated in the agreements to be entered into by and between the Company and the relevant intermediaries, to the extent applicable.**

The above timetable, other than the Bid/Offer Closing Date, is indicative and does not constitute any obligation on our Company the BRLM.

While our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchange are taken within 3 Working Days of the Bid/Offer Closing Date, the timetable may change due to various factors, such as extension of the Bid/ Offer Period by our Company, revision of the Price Band or any delays in receiving the final listing and trading approval from the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws. SEBI pursuant to its circular bearing reference number SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 has reduced the time taken for listing of specified securities after the closure of public issue to 3 working days (T+3 days) as against the present requirement of 6 working days (T+6 days); 'T' being issue closing date. Our Company shall follow the timelines provided under the aforementioned circular.

Any circulars or notifications from the SEBI after the date of the Draft Red Herring Prospectus may result in changes to the above- mentioned timelines. Further, the Offer procedure is subject to change to any revised circulars issued by the SEBI to this effect.

The BRLM will be required to submit reports of compliance with listing timelines and activities, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.

In terms of the UPI Circulars, in relation to the Offer, the BRLM will submit report of compliance with T+3 listing timelines and activities, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.

Submission of Bids

Bid/Offer Period (except the Bid/Offer Closing Date)

Submission and Revision in Bids: Only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time (“IST”))

Bid/Offer Closing Date

Submission and Revision in Bids: Only between 10.00 a.m. and 3.00 p.m. IST

On the Bid/Offer Closing Date, the Bids shall be uploaded until:

- i. 4.00 p.m. IST in case of Bids by QIBs and Non-Institutional Bidders, and
- ii. until 5.00 p.m. IST or such extended time as permitted by the Stock Exchange, in case of Bids by Retail Individual Bidders.

On the Bid/Offer Closing Date, extension of time will be granted by the Stock Exchange only for uploading Bids received from Retail Individual Bidders after taking into account the total number of Bids received and as reported by the BRLM to the Stock Exchange.

The Registrar to the Offer shall submit the details of cancelled/ withdrawn/ deleted applications to the SCSBs on a daily basis within 60 minutes of the Bid closure time from the Bid/ Offer Opening Date till the Bid/ Offer Closing Date by obtaining the same from the Stock Exchanges. The SCSBs shall unblock such applications by the closing hours of the Working Day and submit the confirmation to the BRLM and the RTA on a daily basis.

To avoid duplication, the facility of re-initiation provided to Syndicate Members, if any shall preferably be allowed only once per Bid/batch and as deemed fit by the Stock Exchange, after closure of the time for uploading Bids.

It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs or not blocked under the UPI Mechanism in the relevant ASBA Account, as the case may be, would be rejected.

Due to limitation of time available for uploading the Bids on the Bid/Offer Closing Date, Bidders are advised to submit their Bids one day prior to the Bid/Offer Closing Date. Any time mentioned in this Draft Red Herring Prospectus is Indian Standard Time. Bidders are cautioned that, in the event, large number of Bids are received on the Bid/Offer Closing Date, as is typically experienced in public offerings, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under the Offer. Bids will be accepted only during Monday to Friday (excluding any public holiday). None among our Company or any Member of the Syndicate shall be liable for any failure in (i) uploading the Bids due to faults in any software/ hardware system or blocking of application amount by the SCSBs on receipt of instructions from the Sponsor Bank on account of any errors, omissions or non-compliance by various parties involved in, or any other fault, malfunctioning or breakdown in, or otherwise, in the UPI Mechanism.

In case of any discrepancy in the data entered in the electronic book *vis-a-vis* data contained in the physical Bid cum Application Form, for a particular Bidder, the details of the Bid file received from the Stock Exchanges may be taken. Our Company in consultation with the BRLM, reserve the right to revise the Price Band during the Bid/Offer Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in the Price Band shall not exceed 20% on either side, i.e. the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly. The Floor Price shall not be less than the face value of the Equity Shares.

In case of any revision to the Price Band, the Bid/Offer Period will be extended by at least three additional Working Days following such revision of the Price Band, subject to the Bid/Offer Period not exceeding a total of 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company in consultation with the BRLM, for reasons to be recorded in writing, extend the Bid/Offer Period for a minimum of one Working Day, subject to the Bid/ Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Offer Period, if applicable, will be widely disseminated by notification to the Stock Exchange, by issuing a public notice, and also by indicating the change on the respective websites of the BRLM and the terminals of the Syndicate Members, if any and by intimation to SCSBs, other Designated Intermediaries and the Sponsor Bank, as applicable. In case of revision of Price Band, the Bid Lot shall remain the same.

Minimum Subscription

This Offer is not restricted to any minimum subscription level and is 100% underwritten. As per Section 39 of the Companies Act, 2013, if the —stated minimum amount has not been subscribed and the sum payable on application is not received within a period of 30 days from the date of the Red Herring Prospectus, the application money has to be returned within such period as may be prescribed. If our Company does not receive the 100% subscription of the Offer through the Offer Document including devolvement of Underwriters, if any, within sixty (60) days from the date of closure of the Offer, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond four days after our Company becomes liable to pay the amount, our Company and every officer in default will, on and from the expiry of this period, be jointly and severally liable to repay the money, with interest or other penalty as prescribed under the SEBI Regulations, the Companies Act 2013 and applicable law.

In accordance with Regulation 260 of the SEBI (ICDR) Regulations, our Offer shall be hundred percent underwritten. Thus, the underwriting obligations shall be for the entire hundred percent of the Offer through the Red Herring Prospectus and shall not be restricted to the minimum subscription level.

Further, in accordance with Regulation 268(1) of the SEBI (ICDR) Regulations, our Company shall ensure that the number of prospective allottees to whom the Equity Shares will allotted will not be less than 50 (Fifty).

Further, in accordance with Regulation 267(2) of the SEBI (ICDR) Regulations, our Company shall ensure that the minimum application size in terms of number of specified securities shall not be less than ₹ 1,00,000 (Rupees One Lac only) per application.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be issued or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Migration to Main Board

| Parameter | Migration policy from NSE SME Platform to NSE Main Board |
|---|--|
| Paid up Capital & Market Capitalisation | The paid-up equity capital of the applicant shall not be less than 10 crores and the capitalisation of the applicant's equity shall not be less than 25 crores** ** Explanation For this purpose capitalisation will be the product of the price (average of the weekly high and low of the closing prices of the related shares quoted on the stock exchange during 3 months preceding the application date) and the post issue number of equity shares |
| Earnings before Interest, Depreciation and Tax (EBITDA) and Profit After Tax (PAT) | The applicant company should have positive cash accruals (Earnings before Interest, Depreciation and Tax) from operations for each of the 3 financial years preceding the migration application and has positive PAT in the immediate Financial Year of making the migration application to Exchange. |
| Listing period | The applicant should have been listed on SME platform of the Exchange for at least 3 years. |
| Other Listing conditions | <ul style="list-style-type: none"> • The applicant Company has not referred to the Board of Industrial & Financial Reconstruction (BIFR) &/OR No proceedings have been admitted under Insolvency and Bankruptcy Code against the issuer and Promoting companies. • The company has not received any winding up petition admitted by a NCLT. • The net worth* of the company should be at least 50 crores <p>*Net Worth – as defined under SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018</p> |
| Public Shareholders | Total number of public shareholders on the last day of preceding quarter from date of application should be at least 1,000. |
| The applicant desirous of listing its securities on the main board of the Exchange should also satisfy the Exchange on the following: | <ul style="list-style-type: none"> • The Company should have made disclosures for all material Litigation(s) / dispute(s) / regulatory action(s) to the stock exchanges where its shares are listed in adequate and timely manner. • Cooling period of two months from the date the security has come out of trade-to-trade category or any other surveillance action, by other exchanges where the security has been actively listed. • Redressal mechanism of Investor grievance • PAN and DIN no. of Director(s) of the Company • Change in Control of a Company/Utilization of funds raised from public |

Market Making

The shares issued and transferred through this Offer are proposed to be listed on the Emerge Platform of NSE with compulsory market making through the registered Market Maker of the SME Exchange for a minimum period of three years or such other time as may be prescribed by the Stock Exchange, from the date of listing on the Emerge Platform of

NSE. For further details of the market making arrangement please refer to chapter titled “*General Information*” beginning on page 69 of this Draft Red Herring Prospectus.

Arrangements for disposal of odd lots

The trading of the Equity Shares will happen in the minimum contract size of [●] shares in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, the Market Maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the Emerge Platform of National Stock Exchange of India Limited.

Restrictions, if any, on Transfer and Transmission of Shares or Debentures and on their Consolidation or Splitting

Except for lock-in of the pre-Offer Equity Shares and Promoter’s minimum contribution in the Offer as detailed in the chapter “*Capital Structure*” beginning on page 81 of this Draft Red Herring Prospectus and except as provided in the Articles of Association, there are no restrictions on transfers of Equity Shares. There are no restrictions on transmission of shares and on their consolidation / splitting except as provided in the Articles of Association. The above information is given for the benefit of the Applicants. The Applicants are advised to make their own enquiries about the limits applicable to them. Our Company and the Book Running Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the Book Running Lead Manager are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of the Red Herring Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares Applied for do not exceed the applicable limits under laws or regulations.

Application by Eligible NRIs, FPIs or VCFs registered with SEBI

It is to be understood that there is no reservation for Eligible NRIs, FPIs or VCF registered with SEBI. Such Eligible NRIs, FPIs or VCF registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

NRIs, FPIs/FIIs and foreign venture capital investors registered with SEBI are permitted to purchase shares of an Indian company in a public Offer without the prior approval of the RBI, so long as the price of the equity shares to be issued is not less than the price at which the equity shares are issued to residents. The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the foreign direct investment (“FDI”) Policy and the non-resident shareholding is within the sectoral limits under the FDI policy; and (ii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, provides a general permission for the NRIs, FPIs and foreign venture capital investors registered with SEBI to invest in shares of Indian companies by way of subscription in an IPO. However, such investments would be subject to other investment restrictions under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, RBI and/or SEBI regulations as may be applicable to such investors.

The Allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India/RBI while granting such approvals.

Option to receive securities in Dematerialized Form

In accordance with the SEBI ICDR Regulations, Allotment of Equity Shares to successful applicants will only be in the dematerialized form. Applicants will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only on the dematerialized segment of the Stock Exchange. Allottees shall have the option to re-materialize the Equity Shares, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

Further, it is mandatory for the investor to furnish the details of his/her depository account, & if for any reason, details of the account are incomplete or incorrect the application shall be treated as incomplete & may be rejected by the Company without any prior notice.

New Financial Instruments

There are no new financial instruments such as deep discounted bonds, debentures, warrants, secured premium notes, etc. issued by our Company.

OFFER STRUCTURE

This Offer is being made in terms of Regulation 229(1) of Chapter IX of SEBI (ICDR) Regulations, 2018, as amended from time to time, whereby, an issuer whose post Offer paid up capital is more than ten crores but less or equal to Twenty-five crore rupees shall Offer shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (“SME Exchange”, in this case being the NSE i.e. Emerge Platform of National Stock Exchange of India Limited). For further details regarding the salient features and terms of such an Offer please refer chapter titled “Terms of the Offer” and “Offer Procedure” on pages 253 and 264 of this Draft Red Herring Prospectus.

Offer Structure:

Our Company is proposing a public offer up to 29,03,000 Equity Shares of face value of ₹ 10 each of face value ₹ 10 each (“Equity Shares”) of our Company for cash at a price of ₹ [●]/- per equity share (including a securities premium of ₹ [●]- per Equity Share) (the “Offer Price”), aggregating upto ₹ [●] lacs (“Offer”), comprising a fresh issue of upto 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 an offer upto 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 Shareholders” or “Promoter Selling Shareholders”) (“Offer For Sale”) aggregating to ₹ [●] lakhs, out of which [●] Equity Shares of face value of ₹ 10 each aggregating to ₹ [●] lakhs will be reserved for subscription by market maker (“Market Maker Reservation Portion”). The offer less the Market Maker Reservation Portion i.e. Offer up to [●] Equity Shares of face value of ₹ 10 each at an Offer Price of ₹ [●]/- per Equity Share aggregating to ₹ [●] lakhs is hereinafter referred to as the “Net Offer”. The Offer and the Net Offer will constitute [●]% and [●]%, respectively of the post Offer paid up equity share capital of the Company.

The Offer is being made through the Book Building Process. For further details, please refer chapter titled “Terms of the Offer” on page 253 of this Draft Red Herring Prospectus.

| Particulars of the Offer ⁽²⁾ | Market Maker Reservation Portion | QIBs | Non-Institutional Applicants | Retail Individual Investors |
|--|--|--|--|--|
| Number of Equity Shares available for allocation | Up to [●] Equity Shares of face value of ₹ 10 each | Not more than [●] Equity Shares of face value of ₹ 10 each. | Not less than [●] Equity Shares of face value of ₹ 10 each | Not less than [●] Equity Shares of face value of ₹ 10 each |
| Percentage of Offer size available for allocation for | [●]% of the Offer size | Not more than 50% of the Net Offer being available for allocation to QIB Bidders. However, up to 5% of the Net QIB Portion may be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining QIB Portion. The unsubscribed portion in the Mutual Fund Portion will be added to the Net QIB Portion Up to 60.00% of the QIB Portion may be available for allocation to Anchor Investors and one third of the Anchor Investors Portion shall be available for allocation to domestic mutual funds only. | Not less than 15% of the Net Offer | Not less than 35% of the Net Offer |
| Basis of Allotment⁽³⁾ | Firm Allotment | Proportionate as follows: a) Up to [●] Equity Shares of face value of ₹ 10 each shall be available for allocation on a proportionate basis to | Proportionate | Proportionate |

| Particulars of the Offer ⁽²⁾ | Market Maker Reservation Portion | QIBs | Non-Institutional Applicants | Retail Individual Investors |
|---|---|--|--|--|
| | | Mutual Funds only; and | | |
| | | b) Up to [●] Equity Shares of face value of ₹ 10 each shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above | | |
| Mode of Bid | Only through the ASBA Process | Only through the ASBA process. | Through ASBA Process through banks or by using UPI ID for payment | Through ASBA Process through banks or by using UPI ID for payment |
| Mode of Allotment | Compulsorily in dematerialized form | | | |
| Minimum Bid Size | [●] Equity Shares of face value of ₹ 10 each in multiple of [●] Equity Shares of face value of ₹ 10 each | Such number of Equity Shares and in multiples of [●] Equity Shares of face value of ₹ 10 each that the Bid Amount exceeds ₹ 200,000 | Such number of Equity Shares in multiples of [●] Equity Shares of face value of ₹ 10 each that Bid size exceeds ₹ 200,000 | [●] Equity Shares of face value of ₹ 10 each in multiple of [●] Equity Shares of face value of ₹ 10 each so that the Bid Amount does not exceed ₹ 2,00,000 |
| Maximum Bid Size | [●] Equity Shares of face value of ₹ 10 each | Such number of Equity Shares in multiples of [●] Equity Shares of face value of ₹ 10 each not exceeding the size of the Net Offer, subject to applicable limits | Such number of Equity Shares in multiples of [●] Equity Shares of face value of ₹ 10 each not exceeding the size of the Offer (excluding the QIB portion), subject to limits as applicable to the Bidder | Such number of Equity Shares in multiples of [●] Equity Shares of face value of ₹ 10 each so that the Bid Amount does not exceed ₹ 2,00,000 |
| Trading Lot | [●] Equity Shares of face value of ₹ 10 each, however, the Market Maker may accept odd lots if any in the market as required under the SEBI ICDR Regulations | [●] Equity Shares of face value of ₹ 10 each and in multiples thereof | [●] Equity Shares of face value of ₹ 10 each and in multiples thereof | [●] Equity Shares of face value of ₹ 10 each |
| Terms of Payment | Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder or by the Sponsor Bank through the UPI Mechanism, that is specified in the ASBA Form at the time of submission of the ASBA Form. | | | |
| Mode of Bid | Only through the ASBA process (excluding the UPI Mechanism). | Only through the ASBA process (excluding the UPI Mechanism). | Only through the ASBA process (including the UPI Mechanism for a Bid size of up to ₹ 500,000) | Only through the ASBA process (including the UPI Mechanism) |

- (1) This Offer is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time.
- (2) In terms of Rule 19(2) of the SCRR read with Regulation 252 of the SEBI (ICDR) Regulations, 2018, this is an Offer for at least 25% of the post Offer paid-up Equity share capital of the Company. This Offer is being made through Book Building Process, wherein allocation to the public shall be as per Regulation 252 of the SEBI (ICDR) Regulations.
- (3) Subject to valid Bids being received at or above the Offer price, under subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories of Bidders at the discretion of our Company in consultation with the Book Running Lead Manager and the Designated Stock Exchange, subject to applicable laws.

- (4) Our Company, in consultation with the BRLM may allocate upto 60% of the QIB Portion to Anchor Investors on a discretionary basis, in accordance with the SEBI (ICDR) Regulations, 2018, as amended. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Price.
- (5) Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Application Forms provided that any difference between the Anchor Investor Allocation Price and the Anchor Investor Offer Price shall be payable by the Anchor Investor Pay-In Date as indicated in the CAN. For further details please refer to the section titled “Offer Procedure” beginning on page 264 of the Draft Red Herring Prospectus

Withdrawal of the Offer

In accordance with SEBI (ICDR) Regulations, the Company and the Selling Shareholders, in consultation with the Book Running Lead Manager, reserves the right to not to proceed with the Offer at any time before the Bid/Offer Opening Date, without assigning any reason thereof.

In case, the Company wishes to withdraw the Offer after Bid/ Offer Opening but before allotment, the Company will give public notice giving reasons for withdrawal of Offer. The public notice will appear 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).

The Book Running Lead Manager, through the Registrar to the Offer, will instruct the SCSBs, to unblock the ASBA Accounts within one Working Day from the day of receipt of such instruction. The notice of withdrawal will be issued in the same newspapers where the pre-Offer advertisements have appeared and the Stock Exchange will also be informed promptly. If our Company withdraws the Offer after the Bid/ Offer Closing Date and subsequently decides to undertake a public offering of Equity Shares, our Company will file a fresh Draft Red Herring Prospectus with the stock exchange where the Equity Shares may be proposed to be listed.

Notwithstanding the foregoing, the Offer is subject to obtaining (i) the final listing and trading approval of the Stock Exchange, which our Company will apply for only after Allotment; and (ii) the registration of Red Herring Prospectus with RoC.

JURISDICTION

Exclusive jurisdiction for the purpose of this Offer is with the competent courts/authorities at Madhya Pradesh.

BID/ OFFER PROGRAMME:

| Events | Indicative Dates |
|--|------------------|
| Bid/Offer Opening Date¹⁾ | [●] |
| Bid/Offer Closing Date | [●] |
| Finalization of Basis of Allotment with the Designated Stock Exchange | On or before [●] |
| Initiation of Allotment / Refunds / Unblocking of Funds from ASBA Account or UPI ID linked bank account | On or before [●] |
| Credit of Equity Shares to Demat accounts of Allottees | On or before [●] |
| Commencement of trading of the Equity Shares on the Stock Exchange | On or before [●] |

¹⁾Our Company in consultation with the Book Running Lead Manager, may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Offer date shall be one Working Day prior to the Bid/Offer Opening Date in accordance with the SEBI ICDR Regulations

**In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹ 100/- per day for the entire duration of delay exceeding four Working Days from the Bid/Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLM shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. For the avoidance of doubt, the provisions of the SEBI circular dated March 16, 2021, as amended pursuant to SEBI circular dated June 2, 2021 shall be deemed to be incorporated in the agreements to be entered into by and between the Company and the relevant intermediaries, to the extent applicable.

Bids and any revisions to the same will be accepted only between 10.00 a.m. to 5.00 p.m. (Indian Standard Time) during the Offer Period at the Bidding Centers mentioned in the Bid cum Application Form.

Standardization of cut-off time for uploading of bids on the Bid/Offer closing date:

- i. A standard cut-off time of 3.00 p.m. for acceptance of bids.
- ii. A standard cut-off time of 4.00 p.m. for uploading of bids received from other than retail individual applicants.
- iii. A standard cut-off time of 5.00 p.m. for uploading of bids received from only retail individual applicants, which may be extended up to such time as deemed fit by NSE after taking into account the total number of bids received up to the closure of timings and reported by BRLM to NSE within half an hour of such closure.

It is clarified that Bids not uploaded in the book, would be rejected. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid form, for a particular bidder, the details as per physical bid cum application form of that Bidder may be taken as the final data for the purpose of allotment.

Bids will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).

SEBI pursuant to its circular bearing reference number SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 had reduced the time taken for listing of specified securities after the closure of public Offer to 3 working days (T+3 days) as against the present requirement of 6 working days (T+6 days); 'T' being Offer closing date Our Company shall close this Offer in accordance with the timeline provided under the aforementioned circular.

OFFER PROCEDURE

All Bidders shall review the “General Information Document for Investing in Public Issues” prepared and issued in accordance with the circular SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 notified by SEBI, suitably modified from time to time, if any, and the UPI Circulars (“General Information Document”), highlighting the key rules, procedures applicable to public issues in general in accordance with the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, and the SEBI Regulations.

The General Information Documents will be updated to reflect the enactments and regulations including the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, SEBI Listing Regulations and certain notified provisions of the Companies Act, 2013, to the extent applicable to a public issue. The General Information Document will also be available on the websites of the Stock Exchange and the Lead Manager, before opening of the Offer. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer.

SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 effective to public issues opening on or after from May 01, 2021. However, said circular has been modified pursuant to SEBI Circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 in which certain applicable procedure w.r.t. SMS Alerts, Web portal to CUG etc shall be applicable to Public Issue opening on or after January 1, 2022 and October 1, 2021 respectively.

Additionally, all Bidders may refer to the General Information Document for information in relation to (i) Category of investor eligible to participate in the Offer; (ii) maximum and minimum Bid size; (iii) Allocation of shares; (iii) Payment Instructions for ASBA Bidders; (iv) Issuance of CAN and Allotment in the Offer; (v) General instructions (limited to instructions for completing the Application Form); (vi) Submission of Application Form; (vii) Other Instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (viii) applicable provisions of the Companies Act, 2013 relating to punishment for fictitious applications; (vi) mode of making refunds; and (vii) interest in case of delay in Allotment or refund.

SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, had introduced an alternate payment mechanism using Unified Payments Interface (“UPI”) and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI Mechanism for RIBs applying through Designated Intermediaries was made effective along with the existing process and existing timeline of T+6 days. (“UPI Phase I”). The UPI Phase I was effective till June 30, 2019.

With effect from July 1, 2019, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, read with circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 with respect to Bids by RIBs through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds was discontinued and only the UPI Mechanism for such Bids with existing timeline of T+6 days was mandated for a period of three months or launch of five main board public issues, whichever is later (“UPI Phase II”) and this phase was to continue till March 31, 2020 and post which reduced timeline from T+6 days to T+3 days was to be made effective using the UPI Mechanism for applications by RIBs. The final reduced timeline of T+3 days for the UPI Mechanism for applications by UPI Bidders (“UPI Phase III”), and modalities of the implementation of UPI Phase III was notified by SEBI vide its circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 and made effective on a voluntary basis for all issues opening on or after September 1, 2023 and on a mandatory basis for all issues opening on or after December 1, 2023 (“T+3 SEBI Circular”). The Offer will be undertaken pursuant to the processes and procedures under UPI Phase III, subject to any circulars, clarification or notification issued by the SEBI from time to time. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. This circular shall come into force for initial public offers opening on/or after May 1, 2021, except as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, and the provisions of this circular, are deemed to form part of this Draft Prospectus. SEBI, vide the SEBI RTA Master Circular, consolidated the aforementioned circulars to the extent relevant for RTAs, and rescinded these circulars. Furthermore, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual bidders in initial public offerings (opening on or after May 1, 2022) whose application size are up to ₹5 lakhs shall use the UPI Mechanism. Subsequently, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, applications made using the ASBA facility in initial public offerings (opening on or after September 1, 2022) shall be processed only after application monies are blocked in the bank accounts of investors (all categories). These circulars are effective for initial public offers opening on/or after May 1, 2021, and the provisions of these circulars, as amended, are deemed to form part of this Draft Red Herring Prospectus.

In terms of Regulation 23(5) and Regulation 52 of SEBI ICDR Regulations, the timelines and processes mentioned in SEBI RTA Master Circular, shall continue to form part of the agreements being signed between the intermediaries involved in the public issuance process and lead manager shall continue to coordinate with intermediaries involved in the said process.

BOOK BUILDING PROCEDURE:

This Offer is being made in terms of Rule 19(2)(b) of the SCRR, through the Book Building Process in accordance with Regulation 253 of the SEBI ICDR Regulations wherein not more than 50.00% of the Offer shall be allocated on a proportionate basis to QIBs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. Further, 5.00% of the QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, and spill-over from the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15.00% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35.00% of the Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price.

Under-subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories of Bidders at the discretion of our Company in consultation with the BRLM and the Designated Stock Exchange subject to receipt of valid Bids received at or above the Offer Price. Under-subscription, if any, in the QIB Portion, would not be allowed to be met with spill-over from any other category or a combination of categories.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchange.

Investors should note that the Equity Shares will be allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID, the PAN and UPI ID, for RIBs Bidding in the Retail Portion using the UPI Mechanism, shall be treated as incomplete and will be rejected. Bidders will not have the option of being allotted Equity Shares in physical form. However, they may get their Equity Shares rematerialized subsequent to allotment of the Equity Shares in the Offer, subject to applicable laws.

AVAILABILITY OF PROSPECTUS AND APPLICATION FORMS

The Memorandum containing the salient features of the Red Herring Prospectus together with the Application Forms and copies of the Red Herring Prospectus may be obtained from the Registered Office of our Company, from the Registered Office of the Lead Manager to the Offer, Registrar to the Offer as mentioned in the Application form. The application forms may also be downloaded from the website of National Stock Exchange of India Limited i.e. www.nseindia.com. Applicants shall only use the specified Application Form for the purpose of making an Application in terms of the Red Herring Prospectus. All the applicants shall have to apply only through the ASBA process. ASBA Applicants shall submit an Application Form either in physical or electronic form to the SCSBs authorizing blocking of funds that are available in the bank account specified in the Application Form. Applicants shall only use the specified Application Form for the purpose of making an Application in terms of this Prospectus. The Application Form shall contain space for indicating number of specified securities subscribed for in demat form.

Phased implementation of Unified Payments Interface

SEBI has issued UPI Circulars in relation to streamlining the process of public issue of equity shares and convertibles. Pursuant to the UPI Circulars, UPI has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under ASBA) for applications by RIIs through intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days to upto three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI Mechanism, the UPI Circulars proposes to introduce and implement the UPI Mechanism in three phases in the following manner:

- a) Phase I: This phase was applicable from January 01, 2019 and lasted till June 30, 2019. Under this phase, a Retail Individual Bidder, besides the modes of Bidding available prior to the UPI Circulars, also had the option to submit the Bid cum Application Form with any of the intermediary and use his / her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing continued to be six Working Days.
- b) Phase II: This phase has commenced with effect from July 01, 2019 and will continue for a period of three months or floating of five main board public issues, whichever is later. Under this phase, submission of the Bid cum Application Form by a Retail Individual Investor through intermediaries to SCSBs for blocking of funds has been discontinued and has been replaced by the UPI Mechanism. However, the time duration from public issue closure

to listing continues to be six Working Days during this phase. SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 extended the timeline for implementation of UPI Phase II till further notice.

- c) Phase III/T+3: This phase has become applicable on a voluntary basis for all issues opening on or after September 1, 2023 and on a mandatory basis for all issues opening on or after December 1, 2023 vide T+3 Press Release. In this phase, the time duration from public issue closure to listing has been reduced to three Working Days. The Offer shall be undertaken pursuant to the processes and procedures as notified in the T+3 Press Release as applicable, subject to any circulars, clarification or notification issued by SEBI from time to time, including any circular, clarification or notification which may be issued by SEBI.

Pursuant to the UPI Circular, SEBI has set out specific requirements for redressal of investor grievances for applications that have been made through the UPI Mechanism. The requirements of the UPI Circular include, appointment of a nodal officer by the SCSB and submission of their details to SEBI, the requirement for SCSBs to send SMS alerts for the blocking and unblocking of UPI mandates, the requirement for the Registrar to submit details of cancelled, withdrawn or deleted applications, and the requirement for the bank accounts of unsuccessful Bidders to be unblocked not later than one day from the date on which the Basis of Allotment is finalized. Failure to unblock the accounts within the timeline would result in the SCSBs being penalised under the relevant securities law. Additionally, if there is any delay in the redressal of investors complaints in this regard, the relevant SCSB as well as the post – Offer BRLM will be required to compensate the concerned investor.

All SCSBs offering the facility of making applications in public issues shall also provide the facility to make application using UPI. The Company will be required to appoint one of the SCSBs as a Sponsor Bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and/ or payment instructions of the Retail Individual Bidders using the UPI.

The processing fees for applications made by Retail Individual Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021.

For further details, refer to the “General Information Document” available on the websites of the Stock Exchange and the BRLM.

Bid cum Application Form

Copies of the Bid cum Application Form and the abridged prospectus will be available with the Designated Intermediaries at the Bidding Centres, and our Registered and Corporate Office. An electronic copy of the Bid cum Application Form will also be available for download on the website of National Stock Exchange of India Limited (www.nseindia.com) at least one day prior to the Bid/Offer Opening Date.

All Bidders shall mandatorily participate in the Offer only through the ASBA process. The RIs Bidding in the Retail Portion can additionally Bid through the UPI Mechanism.

RIBs Bidding in the Retail Portion using the UPI Mechanism must provide the valid UPI ID in the relevant space provided in the Bid cum Application Form and the Bid cum Application Form that does not contain the UPI ID are liable to be rejected.

ASBA Bidders (other than RIBs using UPI Mechanism) must provide bank account details and authorization to block funds in their respective ASBA Accounts in the relevant space provided in the ASBA Form and the ASBA Forms that do not contain such details are liable to be rejected.

ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the Designated Intermediary, submitted at the Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected. RIBs Bidding in the Retail Portion using UPI Mechanism, may submit their ASBA Forms, including details of their UPI IDs, with the Syndicate, Sub-Syndicate members, Registered Brokers, RTAs or CDPs. RIBs authorizing an SCSB to block the Bid Amount in the ASBA Account may submit their ASBA Forms with the SCSBs. ASBA Bidders must ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Bid Amount can be blocked by the SCSB or the Sponsor Bank, as applicable at the time of submitting the Bid.

The prescribed colour of the Application Form for various categories is as follows:

| Category | Colour of Application Form* |
|-------------------|-----------------------------|
| Anchor Investor** | White |

| Category | Colour of Application Form* |
|--|-----------------------------|
| Resident Indians, including resident QIBs, Non-Institutional Investors, Retail Individual Investors and Eligible NRIs applying on a non-repatriation basis | White |
| Non-Residents including Eligible NRIs, FII's, FVCIs etc. applying on a repatriation basis | Blue |

Note: Electronic Bid Cum Application Forms will also be available for download on the website of the National Stock Exchange of India Limited (www.nseindia.com).

** Bid cum application for Anchor Investor shall be made available at the Office of the BRLM.

Designated Intermediaries (other than SCSBs) after accepting Bid Cum Application Form submitted by RIIs (without using UPI for payment), NIIs and QIBs shall capture and upload the relevant details in the electronic bidding system of stock exchange(s) and shall submit/deliver the Bid Cum Application Forms to respective SCSBs where the Bidders has a bank account and shall not submit it to any non-SCSB Bank.

Further, for applications submitted to designated intermediaries (other than SCSBs), with use of UPI for payment, after accepting the Bid Cum Application Form, respective intermediary shall capture and upload the relevant application details, including UPI ID, in the electronic bidding system of stock exchange(s).

Bidders shall only use the specified Bid Cum Application Form for making an Application in terms of the Draft Red Herring Prospectus.

The Bid Cum Application Form shall contain information about the Bidder and the price and the number of Equity Shares that the Bidders wish to apply for. Bid Cum Application Forms downloaded and printed from the websites of the Stock Exchange shall bear a system generated unique application number. Bidders are required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Application Amount can be blocked by the SCSB or Sponsor Bank at the time of submitting the Application.

An Investor, intending to subscribe to this Offer, shall submit a completed Bid Cum Application Form to any of the following intermediaries (Collectively called – Designated Intermediaries”)

| Sr. No. | Designated Intermediaries |
|---------|--|
| 1. | An SCSB, with whom the bank account to be blocked, is maintained |
| 2. | A syndicate member (or sub-syndicate member) |
| 3. | A stock broker registered with a recognized stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) ('broker') |
| 4. | A depository participant ('DP') (whose name is mentioned on the website of the stock exchange as eligible for this activity) |
| 5. | A registrar to an Offer and share transfer agent ('RTA') (whose name is mentioned on the website of the stock exchange as eligible for this activity) |

Retails investors submitting application with any of the entities at (ii) to (v) above (hereinafter referred as "Intermediaries"), and intending to use UPI, shall also enter their UPI ID in the Bid Cum Application Form.

The aforesaid intermediary shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the Bid Cum Application Form, in physical or electronic mode, respectively.

The upload of the details in the electronic bidding system of stock exchange will be done by:

| | |
|--|--|
| For Applications submitted by Investors to SCSB: | After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange and may begin blocking funds available in the bank account specified in the form, to the extent of the application money specified. |
| For applications submitted by investors to intermediaries other than SCSBs: | After accepting the Bid Cum Application Form, respective Intermediary shall capture and upload the relevant details in the electronic bidding system of the stock exchange. Post uploading, they shall forward a schedule as per prescribed format along with the Bid Cum Application Forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Offer. |

| | |
|--|---|
| For applications submitted by investors to intermediaries other than SCSBs with use of UPI for payment: | After accepting the Bid Cum Application Form, respective intermediary shall capture and upload the relevant application details, including UPI ID, in the electronic bidding system of stock exchange. Stock exchange shall share application details including the UPI ID with sponsor bank on a continuous basis, to enable sponsor bank to initiate mandate request on investors for blocking of funds. Sponsor bank shall initiate request for blocking of funds through NPCI to investor. Investor to accept mandate request for blocking of funds, on his/her mobile application, associated with UPI ID linked bank account. |
|--|---|

Stock exchange shall validate the electronic bid details with depository's records for DP ID/Client ID and PAN, on a real-time basis and bring the inconsistencies to the notice of intermediaries concerned, for rectification and re-submission within the time specified by stock exchange.

Stock exchange shall allow modification of selected fields viz. DP ID/Client ID or Pan ID (Either DP ID/Client ID or Pan ID can be modified but not BOTH), Bank code and Location code, in the bid details already uploaded.

Upon completion and submission of the Bid Cum Application Form to Application Collecting intermediaries, the Bidders are deemed to have authorized our Company to make the necessary changes in the Draft Red Herring Prospectus, without prior or subsequent notice of such changes to the Bidders.

For RIBs using UPI Mechanism, the Stock Exchange shall share the Bid details (including UPI ID) with the Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate UPI Mandate Request to RIBs for blocking of funds. The Sponsor Bank shall initiate request for blocking of funds through NPCI to RIBs, who shall accept the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. For all pending UPI Mandate Requests, the Sponsor Bank shall initiate requests for blocking of funds in the ASBA Accounts of relevant Bidders with a confirmation cut-off time of 12:00 pm on the first Working Day after the Bid/ Offer Closing Date ("Cut- Off Time"). Accordingly, RIBs should accept UPI Mandate Requests for blocking off funds prior to the Cut-Off Time and all pending UPI Mandate Requests at the Cut-Off Time shall lapse. The NPCI shall maintain an audit trail for every bid entered in the Stock Exchange bidding platform, and the liability to compensate RIBs (using the UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e. the Sponsor Bank, NPCI or the bankers to an Offer) at whose end the lifecycle of the transaction has come to a halt. The NPCI shall share the audit trail of all disputed transactions/ investor complaints to the Sponsor Banks and the bankers to an Offer. The BRLM shall also be required to obtain the audit trail from the Sponsor Banks and the Bankers to the Offer for analysing the same and fixing liability.

WHO CAN BID?

Each Bidder should check whether it is eligible to apply under applicable law, rules, regulations, guidelines and policies. Furthermore, certain categories of Bidders, such as NRIs, FPIs and FVCIs may not be allowed to apply in the Offer or to hold Equity Shares, in excess of certain limits specified under applicable law. Bidders are requested to refer to the DRHP for more details.

Subject to the above, an illustrative list of Bidders is as follows:

- a) Indian nationals resident in India who are not incompetent to contract under the Indian Contract Act, 1872, as amended, in single or as a joint application and minors having valid Demat account as per Demographic Details provided by the Depositories. Furthermore, based on the information provided by the Depositories, our Company shall have the right to accept the Applications belonging to an account for the benefit of minor (under guardianship);
- b) Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidder should specify that the application is being made in the name of the HUF in the Bid Cum Application Form as follows: —Name of Sole or First Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta. Applications by HUFs would be considered at par with those from individuals;
- c) Companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in the Equity Shares under their respective constitutional and charter documents;
- d) Mutual Funds registered with SEBI;
- e) Eligible NRIs on a repatriation basis or on a non-repatriation basis, subject to applicable laws. NRIs other than EligibleNRIs are not eligible to participate in this Offer;
- f) Indian Financial Institutions, scheduled commercial banks, regional rural banks, co-operative banks (subject to RBI permission, and the SEBI Regulations and other laws, as applicable);
- g) FPIs other than Category III FPI; VCFs and FVCIs registered with SEBI;

- h) Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares;
- i) Sub-accounts of FIIs registered with SEBI, which are foreign corporate or foreign individuals only under the Non- Institutional Bidder 's category;
- j) Venture Capital Funds and Alternative Investment Fund (I) registered with SEBI; State Industrial Development Corporations;
- k) Foreign Venture Capital Investors registered with the SEBI;
- l) Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts and who are authorized under their constitution to hold and invest in equity shares;
- m) Scientific and/or Industrial Research Organizations authorized to invest in equity shares;
- n) Insurance Companies registered with Insurance Regulatory and Development Authority, India;
- o) Provident Funds with minimum corpus of ₹ 25 Crores and who are authorized under their constitution to hold and invest in equity shares;
- p) Pension Funds and Pension Funds with minimum corpus of ₹ 25 Crores and who are authorized under their constitution to hold and invest in equity shares;
- q) National Investment Fund set up by Resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India;
- r) Multilateral and bilateral development financial institution;
- s) Eligible QFIs;
- t) Insurance funds set up and managed by army, navy or air force of the Union of India;
- u) Insurance funds set up and managed by the Department of Posts, India;
- v) Any other person eligible to apply in this Offer, under the laws, rules, regulations, guidelines and policies applicable to them.

APPLICATIONS NOT TO BE MADE BY:

1. Minors (except through their Guardians)
2. Partnership firms or their nominations
3. Foreign Nationals (except NRIs)
4. Overseas Corporate Bodies

As per the existing regulations, OCBs are not eligible to participate in this Offer. The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003 that OCBs which are incorporated and are not under the adverse notice of the RBI are permitted to undertake fresh investments as 138 incorporated non- resident entities in terms of Regulation 5(1) of RBI Notification No.20/2000-RB dated May 3, 2000 under FDI Scheme with the prior approval of Government if the investment is through Government Route and with the prior approval of RBI if the investment is through Automatic Route on case by case basis. OCBs may invest in this Offer provided it obtains a prior approval from the RBI. On submission of such approval along with the Bid Cum Application Form, the OCB shall be eligible to be considered for share allocation.

MAXIMUM AND MINIMUM APPLICATION SIZE

1. For Retail Individual Bidders

The Application must be for a minimum of [●] Equity Shares of face value of ₹ 10 each and in multiples of [●] Equity Shares of face value of ₹ 10 each thereafter, so as to ensure that the Application Price payable by the Bidder does not exceed ₹ 2,00,000. In case of revision of Applications, the Retail Individual Bidders have to ensure that the Application Price does not exceed ₹ 2,00,000.

2. For Other than Retail Individual Bidders (Non-Institutional Applicants and QIBs):

The Application must be for a minimum of such number of Equity Shares that the Application Amount exceeds ₹ 2,00,000 and in multiples of [●] Equity Shares of face value of ₹ 10 each thereafter. An Application cannot be submitted for more than the Net Offer Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Bidder cannot withdraw its Application after the Offer Closing Date and is required to pay 100% QIB Margin

upon submission of Application.

In case of revision in Applications, the Non-Institutional Bidders, who are individuals, have to ensure that the Application Amount is greater than ₹ 2,00,000 for being considered for allocation in the Non-Institutional Portion.

Bidders are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Red Herring Prospectus.

The above information is given for the benefit of the Bidders. The Company and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

METHOD OF BIDDING PROCESS

Our Company, in consultation with the BRLM will decide the Price Band and the minimum Bid lot size for the Offer and the same shall 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) each with wide circulation at least two Working Days prior to the Bid / Offer Opening Date. The BRLM and the SCSBs shall accept Bids from the Bidders during the Bid / Offer Period.

- a) The Bid / Offer Period shall be for a minimum of three Working Days and shall not exceed 10 Working Days. The Bid/ Offer Period maybe extended, if required, by an additional three Working Days, subject to the total Bid/ Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid / Offer Period, if applicable, will be published 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) each with wide circulation and also by indicating the change on the website of the Book Running Lead Manager.
- b) Each Bid cum Application Form will give the Bidder the choice to Bid for up to three optional prices (for details refer to the paragraph titled “Bids at Different Price Levels and Revision of Bids” below) within the Price Band and specify the demand (i.e., the number of Equity Shares Bid for) in each option. The price and demand options submitted by the Bidder in the Bid cum Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Offer Price, the maximum number of Equity Shares Bid for by a Bidder/Applicant at or above the Offer Price will be considered for allocation/Allotment and the rest of the Bid(s), irrespective of the Bid Amount, will become automatically invalid.
- c) The Bidder / Applicant cannot Bid through another Bid cum Application Form after Bids through one Bid cum Application Form have been submitted to a BRLM or the SCSBs. Submission of a second Bid cum Application Form to either the same or to another BRLM or SCSB will be treated as multiple Bid and is liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allocation or Allotment of Equity Shares in this Offer. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed under the paragraph “Buildup of the Book and Revision of Bids”.
- d) The BRLM/the SCSBs will enter each Bid option into the electronic bidding system as a separate Bid and generate a Transaction Registration Slip, (“TRS”), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid cum Application Form.
- e) Upon receipt of the Bid cum Application Form, submitted whether in physical or electronic mode, the Designated Branch of the SCSB shall verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the Bid cum Application Form, prior to uploading such Bids with the Stock Exchange.
- f) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB shall reject such Bids and shall not upload such Bids with the Stock Exchange.
- g) If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Bid Amount mentioned in the Bid cum Application Form and will enter each Bid option into the electronic bidding system as a separate Bid and generate a TRS for each price and demand option. The TRS shall be furnished to the ASBA Bidder on request.
- h) The Bid Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Offer Account, or until withdrawal/failure of the Offer or until withdrawal/rejection of the Bid cum Application Form, as the case

may be. Once the Basis of Allotment is finalized, the Registrar to the Offer shall send an appropriate request to the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful Bidders to the Public Offer Account. In case of withdrawal/failure of the Offer, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Offer.

BIDS AT DIFFERENT PRICE LEVELS AND REVISION OF BIDS

- a. Our Company in consultation with the BRLM, and without the prior approval of, or intimation, to the Bidders, reserves the right to revise the Price Band during the Bid/ Offer Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on the either side i.e. the floor price can move up or down to the extent of 20% of the floor price disclosed. If the revised price band decided, falls within two different price bands than the minimum application lot size shall be decided based on the price band in which the higher price falls into.
- b. Our Company in consultation with the BRLM, will finalize the Offer Price within the Price Band, without the prior approval of, or intimation, to the Bidders.
- c. The Bidders can Bid at any price within the Price Band. The Bidder has to Bid for the desired number of Equity Shares at a specific price. Retail Individual Bidders may Bid at the Cut-off Price. However, bidding at the Cut-off Price is prohibited for QIB and Non-Institutional Bidders and such Bids from QIB and Non-Institutional Bidders shall be rejected.
- d. Retail Individual Bidders, who Bid at Cut-off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders shall submit the Bid cum Application Form along with a cheque/demand draft for the Bid Amount based on the Cap Price with the Syndicate. In case of ASBA Bidders (excluding Non-Institutional Bidders and QIB Bidders) bidding at Cut-off Price, the ASBA Bidders shall instruct the SCSBs to block an amount based on the Cap Price.

Participation by Associates /Affiliates of BRLM and the Syndicate Members

The BRLM and the Syndicate Members, if any, shall not be allowed to purchase in this Offer in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLM and the Syndicate Members, if any, may subscribe the Equity Shares in the Offer, either in the QIB Category or in the Non- Institutional Category as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients.

Option to Subscribe in the Offer

- a. As per Section 29(1) of the Companies Act 2013, allotment of Equity Shares shall be made in dematerialized form only. Investors will not have the option of getting allotment of specified securities in physical form.
- b. The Equity Shares, on allotment, shall be traded on the Stock Exchange in demat segment only.
- c. A single application from any investor shall not exceed the investment limit/minimum number of Equity Shares that can be held by him/her/it under the relevant regulations/statutory guidelines and applicable law.

Information for the Bidders:

1. Our Company and the Book Running Lead Manager shall declare the Offer Opening Date and Offer Closing Date in the Draft Red Herring Prospectus to be registered with the RoC and also publish the same in all editions of [●] (a widely circulated English national daily newspaper), all editions of [●] (a widely circulated Hindi nationaldaily newspaper) and [●] editions of the Hindi Daily newspaper, [●] (Hindi being the regional language of Madhya Pradesh where our Registered Office is located) each with wide circulation. This advertisement shall be in prescribed format.
2. Our Company will file the Draft Red Herring Prospectus with the RoC at least 3 (three) days before the Offer Opening Date.
3. Copies of the Bid Cum Application Form along with Abridge Prospectus and copies of the Draft Red Herring Prospectus will be available with the, the Book Running Lead Manager, the Registrar to the Offer, and at the Registered Office of our Company. Electronic Bid Cum Application Forms will also be available on the websites of the Stock Exchange.
4. Any Bidder who would like to obtain the Draft Red Herring Prospectus and/ or the Bid Cum Application Form can obtain the same from our Registered Office.
5. Bidders who are interested in subscribing for the Equity Shares should approach Designated Intermediaries to

register their applications.

6. Bid Cum Application Forms submitted directly to the SCSBs should bear the stamp of the SCSBs and/or the Designated Branch, or the respective Designated Intermediaries. Bid Cum Application Form submitted by Applicants whose beneficiary account is inactive shall be rejected.
7. The Bid Cum Application Form can be submitted either in physical or electronic mode, to the SCSBs with whom the ASBA Account is maintained, or other Designated Intermediaries (Other than SCSBs). SCSBs may provide the electronic mode of collecting either through an internet enabled collecting and banking facility or such other secured, electronically enabled mechanism for applying and blocking funds in the ASBA Account. The Retail Individual Applicants has to apply only through UPI Channel, they have to provide the UPI ID and validate the blocking of the funds and such Bid Cum Application Forms that do not contain such details are liable to be rejected.
8. Bidders applying directly through the SCSBs should ensure that the Bid Cum Application Form is submitted to a Designated Branch of SCSB, where the ASBA Account is maintained. Applications submitted directly to the SCSB's or other Designated Intermediaries (Other than SCSBs), the relevant SCSB, shall block an amount in the ASBA Account equal to the Application Amount specified in the Bid Cum Application Form, before entering the ASBA application into the electronic system.
9. Except for applications by or on behalf of the Central or State Government and the Officials appointed by the courts and by investors residing in the State of Sikkim, the Bidders, or in the case of application in joint names, the first Bidder (the first name under which the beneficiary account is held), should mention his/her PAN allotted under the Income Tax Act. In accordance with the SEBI Regulations, the PAN would be the sole identification number for participating transacting in the securities market, irrespective of the amount of transaction. Any Bid Cum Application Form without PAN is liable to be rejected. The demat accounts of Bidders for whom PAN details have not been verified, excluding person resident in the State of Sikkim or persons who may be exempted from specifying their PAN for transacting in the securities market, shall be "suspended for credit" and no credit of Equity Shares pursuant to the Offer will be made into the accounts of such Bidders.
10. The Bidders may note that in case the PAN, the DP ID and Client ID mentioned in the Bid Cum Application Form and entered into the electronic collecting system of the Stock Exchange Designated Intermediaries do not match with PAN, the DP ID and Client ID available in the Depository database, the Bid Cum Application Form is liable to be rejected.

BIDS BY HUFs

Bids by Hindu Undivided Families or HUFs should be made in the individual name of the Karta. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: "Name of sole or first Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Bids/Applications by HUFs will be considered at par with Bids/Applications from individuals.

BIDS BY MUTUAL FUNDS

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company in consultation with the BRLM, reserve the right to reject any Bid without assigning any reason thereof.

Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

No Mutual Fund scheme shall invest more than 10.00% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10.00% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10.00% of any company's paid-up share capital carrying voting rights.

BIDS BY ELIGIBLE NRIS

Eligible NRIs may obtain copies of Bid cum Application Form from the Designated Intermediaries. Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRI Bidders bidding on a repatriation basis by using the Non-Resident Forms should authorize their SCSB (if they are Bidding directly through the SCSB) or confirm or accept the UPI Mandate Request (in case of Bidding through the UPI Mechanism) to block their Non-Resident External ("NRE") accounts, or Foreign Currency Non-Resident

("FCNR") Accounts, and eligible NRI Bidders bidding on a non- repatriation basis by using Resident Forms should authorize their SCSB (if they are Bidding directly through SCSB) or confirm or accept the UPI Mandate Request (in case of Bidding through the UPI Mechanism) to block their Non-Resident Ordinary ("NRO") accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form. Participation of Eligible NRIs in the Offer shall be subject to the FEMA Rules.

In accordance with the Consolidated FDI Policy, the total holding by any individual NRI, on a repatriation or non-repatriation basis, shall not exceed 5.00% of the total paid-up equity capital on a fully diluted basis or shall not exceed 5.00% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together, on a repatriation or non- repatriation basis, shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrant. Provided that the aggregate ceiling of 10.00% may be raised to 24.00% if a special resolution to that effect is passed by the general body of the Indian company.

NRIs will be permitted to apply in the Offer through Channel I or Channel II (as specified in the UPI Circular). Further, subject to applicable law, NRIs may use Channel IV (as specified in the UPI Circular) to apply in the Offer, provided the UPI facility is enabled for their NRE/ NRO accounts.

NRIs applying in the Offer using UPI Mechanism are advised to enquire with the relevant bank whether their bank account is UPI linked prior to making such application. For details of investment by NRIs, see "*Restrictions on Foreign Ownership of Indian Securities*" beginning on page 294. Participation of eligible NRIs shall be subject to FEMA NDI Rules.

BIDS BY FPIS

In terms of the SEBI FPI Regulations, the Offer of Equity Shares to a single FPI or an investor group (which means the same multiple entities having common ownership directly or indirectly of more than 50% or common control) must be below 10% of our post-Offer Equity Share capital. Further, in terms of the FEMA NDI Rules, with effect from April 1, 2020, the aggregate FPI investment limit is the sectoral cap applicable to an Indian company as prescribed in the FEMA NDI Rules with respect to its paid-up equity capital on a fully diluted basis. Currently, the sectoral cap for retail trading of food products manufactured and/ or produced in India is 100% under automatic route.

FPIs are permitted to participate in the Offer subject to compliance with conditions and restrictions which may be specified by the Government from time to time. In case of Bids made by FPIs, a certified copy of the certificate of registration issued under the SEBI FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason. FPIs who wish to participate in the Offer are advised to use the Bid cum Application Form for Non-Residents.

In terms of the FEMA, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

The FEMA NDI Rules were enacted on October 17, 2019 in supersession of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017, except as respects things done or omitted to be done before such supersession. **FPIs are permitted to participate in the Offer subject to compliance with conditions and restrictions which may be specified by the Government from time to time.**

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only by persons registered as Category I FPIs; (ii) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs; (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iv) such other conditions as may be specified by SEBI from time to time.

An FPI issuing off-shore derivative instruments is also required to ensure that any transfer of off-shore derivative instruments issued by, or on behalf of it subject to, inter alia, the following conditions:

- (i). such offshore derivative instruments are transferred to person subject to fulfilment of SEBI FPI Regulations; and
- (ii). Prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred are pre-approved by the FPI.

Bids by FPIs which 273inaliz the multi-investment manager structure in accordance with the Operational Guidelines for Foreign Portfolio Investors and Designated Depository Participants issued to facilitate implementation of the SEBI FPI Regulations ("Operational FPI Guidelines"), submitted with the same PAN but with different beneficiary account

numbers, Client IDs and DP IDs shall not be treated as multiple Bids (“MIM Bids”). It is hereby clarified that FPIs bearing the same PAN may be treated as multiple Bids by a Bidder and may be rejected, except for Bids from FPIs that 274inaliz the multi- investment manager structure in accordance with the Operational FPI Guidelines (such structure referred to as “MIM Structure”). In order to ensure valid Bids, FPIs making MIM Bids using the same PAN and with different beneficiary account numbers, Client IDs and DP IDs, are required to submit a confirmation that their Bids are under the MIM Structure and indicate the name of their investment managers in such confirmation which shall be submitted along with each of their Bid cum Application Forms. In the absence of such confirmation from the relevant FPIs, such MIM Bids shall be rejected.

BIDS BY SEBI-REGISTERED AIFS, VCFS AND FVCIS

The SEBI FVCI Regulations, SEBI VCF Regulations and the SEBI AIF Regulations prescribe, inter alia, the investment restrictions on the FVCIs, VCFS and AIFs registered with SEBI respectively. FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering. Category I AIF and Category II AIF cannot invest more than 25% of the investible funds in one investee company directly or through investment in the units of other AIFs. A Category III AIF cannot invest more than 10% of the investible funds in one investee company directly or through investment in the units of other AIFs. AIFs which are authorized under the fund documents to invest in units of AIFs are prohibited from offering their units for subscription to other AIFs. A VCF registered as a Category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3rd of its investible funds by way of subscription to an initial public offering of a venture capital undertaking. Additionally, a VCF that has not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations (and accordingly shall not be allowed to participate in the Offer) until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

There is no reservation for Eligible NRIs, FPIs and FVCIs and all Bidders will be treated on the same basis with other categories for the purpose of allocation.

Further, the shareholding of VCFS, category I AIFs or category II AIFs and FVCIs holding Equity Shares prior to Offer, shall be locked-in for a period of at least one year from the date of purchase of such Equity Shares.

All non-resident investors should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

The Company or the BRLM will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

BIDS BY LIMITED LIABILITY PARTNERSHIPS

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company in consultation with the BRLM, reserve the right to reject any Bid without assigning any reason thereof.

BIDS BY BANKING COMPANIES

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company’s investment committee are required to be attached to the Bid cum Application Form. Failing this, our Company in consultation with the BRLM, reserves the right to reject any Bid without assigning any reason thereof. The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended and Master Circular on Basel III Capital Regulations dated July 1, 2014, as amended, is 10.00% of the paid up share capital of the investee company, not being its subsidiary engaged in non-financial services, or 10.00% of the bank’s own paid-up share capital and reserves, whichever is lower.

However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid up share capital of such investee company, subject to prior approval of the RBI if (i) the investee company is engaged in non- financial activities permitted for banking companies in terms of Section 6(1) of the Banking Regulation Act; or (ii) the additional acquisition is through restructuring of debt, or to protect the banking company’s interest on loans/investments made to a company. The bank is required to submit a time bound action plan to the RBI for the disposal of such shares within a specified period. The aggregate investment by a banking company along with its subsidiaries, associates or joint ventures or entities directly or indirectly controlled by the bank; and mutual funds managed by asset management companies controlled by the bank, more than 20% of the investee company’s paid up share capital engaged in non-financial services. However, this cap doesn’t apply to the cases mentioned in (i) and (ii) above. The aggregate equity investments made by a banking company in all subsidiaries and other entities engaged in financial services and non-financial services, including overseas investments shall not exceed 20% of the bank’s paid-

up share capital and reserves.

In terms of the Master Circular on Basel III Capital Regulations dated July 1, 2014, as amended (i) a bank's investment in the capital instruments issued by banking, financial and insurance entities should not exceed 10% of its capital funds; (ii) banks should not acquire any fresh stake in a bank's equity shares, if by such acquisition, the investing bank's holding exceeds 5% of the investee bank's equity capital; (iii) equity investment by a bank in a subsidiary company, financial services company, financial institution, stock and other exchanges should not exceed 10% of the bank's paid-up share capital and reserves; (iv) equity investment by a bank in companies engaged in non-financial services activities would be subject to a limit of 10% of the investee company's paid-up share capital or 10% of the bank's paid-up share capital and reserves, whichever is less; and (v) a banking company is restricted from holding shares in any company, whether as pledgee, mortgagee or absolute owner, of an amount exceeding 30% of the paid-up share capital of that company or 30% of its own paid-up share capital and reserves, whichever is less. For details in relation to the investment limits under Master Direction – Ownership in Private Sector Banks, Directions, 2016, see “*Key Regulations and Policies*” beginning on page 151.

BIDS BY SCSBS

SCSBS participating in the Offer are required to comply with the terms of the circulars issued by the SEBI dated September 13, 2012 and January 2, 2013. Such SCSBS are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBS. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

BIDS BY SYSTEMICALLY IMPORTANT NBFCs

In case of Bids made by Systemically Important NBFCs registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, (ii) the last audited financial statements on a standalone basis, (iii) a net worth certificate from its statutory auditors, and (iv) such other approval as may be required by the Systemically Important NBFCs are required to be attached to the Bid cum Application Form. Failing this, our Company in consultation with the BRLM, reserves the right to reject any Bid without assigning any reason thereof.

Systemically Important NBFCs participating in the Offer shall comply with all applicable regulations, directions, guidelines and circulars issued by the RBI from time to time.

The investment limit for Systemically Important NBFCs shall be as prescribed by RBI from time to time.

BIDS BY INSURANCE COMPANIES

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, our Company in consultation with the BRLM, reserves the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers are prescribed under the IRDAI Investment Regulations, based on investments in equity shares of the investee company, the entire group of the investee company and the industry sector in which the investee company operates. Insurance companies participating in the Offer are advised to refer to the IRDAI Investment Regulations 2016, as amended, which are broadly set forth below:

- a) equity shares of a company: the lower of 10%* of the outstanding equity shares (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;
- b) the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and
- c) the industry sector in which the investee company operates: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under (a), (b) and (c) above, as the case may be.

**The above limit of 10% shall stand substituted as 15% of outstanding equity shares (face value) for insurance companies with investment assets of ₹ 25,000,000 lakhs or more and 12% of outstanding equity shares (face value) for insurers with investment assets of ₹ 5,000,000 lakhs or more but less than ₹ 25,000,000 lakhs.*

Insurance companies participating in this Offer shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

BIDS BY PROVIDENT FUNDS/PENSION FUNDS

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹ 2,500 lakhs, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the Bid cum Application Form. Failing this, our Company in consultation with the BRLM, reserves the right to reject any Bid without assigning any reason thereof.

BIDS BY ANCHOR INVESTORS

Our Company in consultation with the BRLM, may consider participation by Anchor Investors in the Offer for up to 60% of the QIB Portion in accordance with the SEBI Regulations. Only QIBs as defined in Regulation 2(1)(ss) of the SEBI Regulations and not otherwise excluded pursuant to Schedule XIII of the SEBI Regulations are eligible to invest. The QIB Portion will be reduced in proportion to allocation under the Anchor Investor Portion. In the event of undersubscription in the Anchor Investor Portion, the balance Equity Shares will be added to the QIB Portion. In accordance with the SEBI Regulations, the key terms for participation in the Anchor Investor Portion are provided below.

- 1) Anchor Investor Bid cum Application Forms will be made available for the Anchor Investors at the offices of the BRLM.
- 2) The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount is at least 200.00 lakhs. A Bid cannot be submitted for over 60% of the QIB Portion. In case of a Mutual Fund, separate Bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application size of 200.00 lakhs
- 3) One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.
- 4) Bidding for Anchor Investors will open one Working Day before the Bid/ Offer Opening Date and be completed on the same day.
- 5) Our Company in consultation with the BRLM, will finalize allocation to the Anchor Investors on a discretionary basis, provided that the minimum and maximum number of Allottees in the Anchor Investor Portion will be, as mentioned below:
 - where allocation in the Anchor Investor Portion is up to 200.00 Lakhs, maximum of 2 (two) Anchor Investors.
 - where the allocation under the Anchor Investor Portion is more than 200.00 Lakhs but upto 2500.00 Lakhs, minimum of 2 (two) and maximum of 15 (fifteen) Anchor Investors, subject to a minimum Allotment of 100.00 Lakhs per Anchor Investor; and
 - where the allocation under the Anchor Investor portion is more than 2500.00 Lakhs:(i)minimum of 5 (five) and maximum of 15 (fifteen) Anchor Investors for allocation upto 2500.00 Lakhs; and (ii) an additional 10 Anchor Investors for every additional allocation of 2500.00 Lakhs or part thereof in the Anchor Investor Portion; subject to a minimum Allotment of 100.00 Lakhs per Anchor Investor.
- 6) Allocation to Anchor Investors will be completed on the Anchor Investor Bid/ Offer Period. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made will be made available in the public domain by the BRLM before the Bid/Offer Opening Date, through intimation to the Stock Exchange.
- 7) Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.
- 8) If the Offer Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Offer Price and the Anchor Investor Allocation Price will be payable by the Anchor Investors within 2 (two) Working Days from the Bid/ Offer Closing Date. If the Offer Price is lower than the Anchor Investor Allocation Price, Allotment to successful Anchor Investors will be at the higher price, i.e., the Anchor Investor Offer Price.
- 9) At the end of each day of the bidding period, the demand including allocation made to anchor investors, shall be shown graphically on the bidding terminals of syndicate members and website of stock exchange offering electronically linked transparent bidding facility, for information of public.
- 10) Equity Shares Allotted in the Anchor Investor Portion will be locked in for a period of 30 days from the date of Allotment.
- 11) The BRLM, our Promoters, Promoter Group or any person related to them (except for Mutual Funds sponsored by entities related to the BRLM) will not participate in the Anchor Investor Portion. The

parameters for selection of Anchor Investors will be clearly identified by the BRLM and made available as part of the records of the BRLM for inspection byes.

12) Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids.

13) Anchor Investors are not permitted to Bid in the Offer through the ASBA process.

BIDS UNDER POWER OF ATTORNEY

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, Eligible FPIs, Mutual Funds, Systemically Important NBFCs, insurance companies, insurance funds set up by the army, navy or air force of the Union of India, insurance funds set up by the Department of Posts, India, or the National Investment Fund and provident funds with a minimum corpus of ₹ 2,500lakhs (subject to applicable law) and pension funds with a minimum corpus of ₹ 2,500 lakhs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company in consultation with the BRLM, reserves the right to accept or reject any Bid in whole or in part, in either case without assigning any reason therefor.

Our Company in consultation with the BRLM, in their absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form subject to the terms and conditions that our Company in consultation with the BRLM may deem fit.

ISSUANCE OF A CONFIRMATION NOTE (“CAN”) AND ALLOTMENT IN THE OFFER:

1. Upon approval of the basis of allotment by the Designated Stock Exchange, the BRLM or Registrar to the Offer shall send to the SCSBs a list of their Bidders who have been allocated Equity Shares in the Offer.
2. The Registrar will then dispatch a CAN to their Bidders who have been allocated Equity Shares in the Offer. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder.

Offer Procedure for Application Supported by Blocked Account (ASBA) Bidders

In accordance with the SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Bidders have to compulsorily apply through the ASBA Process. Our Company and the Book Running Lead Manager are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. ASBA Bidders are advised to make their independent investigations and to ensure that the ASBA Bid Cum Application Form is correctly filled up, as described in this section.

The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>. For details on designated branches of SCSB collecting the Bid Cum Application Form, please refer the above-mentioned SEBI link.

Terms of payment

The entire Offer price of ₹ [●] per share is payable on application. In case of allotment of lesser number of Equity Shares than the number applied, the Registrar shall instruct the SCSBs to unblock the excess amount paid on Application to the Bidders.

SCSBs will transfer the amount as per the instruction of the Registrar to the Public Offer Account, the balance amount after transfer will be unblocked by the SCSBs.

The Bidders should note that the arrangement with Bankers to the Offer or the Registrar is not prescribed by SEBI and has been established as an arrangement between our Company, Banker to the Offer and the Registrar to the Offer to facilitate collections from the Bidders.

Payment mechanism

The Bidders shall specify the bank account number in their Bid Cum Application Form and the SCSBs shall block an amount equivalent to the Application Amount in the bank account specified in the Bid Cum Application Form. The SCSB shall keep the Application Amount in the relevant bank account blocked until withdrawal/ rejection of the Application or receipt of instructions from the Registrar to unblock the Application Amount. However, Non- Retail Bidders shall neither withdraw nor lower the size of their applications at any stage. In the event of withdrawal or rejection of the Bid Cum Application Form or for unsuccessful Bid Cum Application Forms, the Registrar to the Offer shall give instructions to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Application Amount shall remain blocked in the ASBA Account until finalization of the Basis of Allotment in the Offer and consequent transfer of the Application Amount to the Public Offer Account, or

until withdrawal/ failure of the Offer or until rejection of the Application by the ASBA Bidder, as the case may be.

Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors applying in a public Offer shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self-Certified Syndicate Banks (SCSBs) for the same. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, Retail Individual Investors applying in public Offer have to use UPI as a payment mechanism with Application Supported by Blocked Amount for making application.

Payment into Escrow Account for Anchor Investors

All the investors other than Anchor Investors are required to bid through ASBA Mode. Anchor Investors are requested to note the following:

Our Company in consultation with the Book Running Lead Manager, in its absolute discretion, will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors.

- a) For Anchor Investors, the payment instruments for payment into the Escrow Account should be drawn in favour of: a. In case of resident Anchor Investors: — “[•] - Anchor Account- R”
- b) In case of Non-Resident Anchor Investors: — “[•] - Anchor Account- NR”
- c) Anchor Investors should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Syndicate, the Escrow Collection Bank and the Registrar to the Offer to facilitate collections from the Anchor Investors.

Electronic Registration of Applications

1. The Designated Intermediaries will register the applications using the on-line facilities of the Stock Exchange.
2. The Designated Intermediaries will undertake modification of selected fields in the application details already uploaded before 1.00 p.m. of next Working Day from the Offer Closing Date.
3. The Designated Intermediaries shall be responsible for any acts, mistakes or errors or omissions and commissions in relation to,
 - i. the applications accepted by them,
 - ii. the applications uploaded by them
 - iii. the applications accepted but not uploaded by them or
 - iv. With respect to applications by Bidders, applications accepted and uploaded by any Designated Intermediary other than SCSBs, the Bid Cum Application Form along with relevant schedules shall be sent to the SCSBs or the Designated Branch of the relevant SCSBs for blocking of funds and they will be responsible for blocking the necessary amounts in the ASBA Accounts. In case of Application accepted and Uploaded by SCSBs, the SCSBs or the Designated Branch of the relevant SCSBs will be responsible for blocking the necessary amounts in the ASBA Accounts.
4. Neither the Book Running Lead Manager nor our Company nor the Registrar to the Offer, shall be responsible for any acts, mistakes or errors or omission and commissions in relation to,
 - (i) The applications accepted by any Designated Intermediaries
 - (ii) The applications uploaded by any Designated Intermediaries or
 - (iii) The applications accepted but not uploaded by any Designated Intermediaries
5. The Stock Exchange will Offer an electronic facility for registering applications for the Offer. This facility will be available at the terminals of Designated Intermediaries and their authorized agents during the Offer Period. The Designated Branches or agents of Designated Intermediaries can also set up facilities for off-line electronic registration of applications subject to the condition that they will subsequently upload the off-line data file into the online facilities on a regular basis. On the Offer Closing Date, the Designated Intermediaries shall upload the applications till such time as may be permitted by the Stock Exchange. This information will be available with the Book Running Lead Manager on a regular basis.
6. With respect to applications by Bidders, at the time of registering such applications, the Syndicate Bankers, DPs

and RTAs shall forward a Schedule as per format given below along with the Bid Cum Application Forms to Designated Branches of the SCSBs for blocking of funds:

| S. No. | Details* |
|--------|-------------------|
| 1. | Symbol |
| 2. | Intermediary Code |
| 3. | Location Code |
| 4. | Application No. |
| 5. | Category |
| 6. | PAN |
| 7. | DP ID |
| 8. | Client ID |
| 9. | Quantity |
| 10. | Amount |

**Stock Exchanges shall uniformly prescribe character length for each of the above-mentioned fields*

7. With respect to applications by Bidders, at the time of registering such applications, the Designated Intermediaries shall enter the following information pertaining to the Bidders into in the on-line system:
 - Name of the Bidder;
 - IPO Name;
 - Bid Cum Application Form Number;
 - Investor Category;
 - PAN (of First Bidder, if more than one Bidder);
 - DP ID of the demat account of the Bidder;
 - Client Identification Number of the demat account of the Bidder;
 - Number of Equity Shares Applied for;
 - Bank Account details;
 - Locations of the Banker to the Offer or Designated Branch, as applicable, and bank code of the SCSB branch wherethe ASBA Account is maintained; and
 - Bank account number.
8. In case of submission of the Application by a Bidder through the Electronic Mode, the Bidder shall complete the above- mentioned details and mention the bank account number, except the Electronic ASBA Bid Cum Application Form number which shall be system generated.
9. The aforesaid Designated Intermediaries shall, at the time of receipt of application, give an acknowledgment to the investor, by giving the counter foil or specifying the application number to the investor, as a proof of having acceptedthe Bid Cum Application Form in physical as well as electronic mode. The registration of the Application by the Designated Intermediaries does not guarantee that the Equity Shares shall be allocated / allotted either by our Company.
10. Such acknowledgment will be non-negotiable and by itself will not create any obligation of any kind.
11. In case of Non-Retail Bidders and Retail Individual Bidders, applications would not be rejected except on the technicalgrounds as mentioned in the Draft Red Herring Prospectus. The Designated Intermediaries shall have no right to reject applications, except on technical grounds.
12. The permission given by the Stock Exchanges to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the Book Running Lead Manager are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our company; our Promoters, our management or any scheme or project of our Company; nor does it in any manner

warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Red Herring Prospectus, nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

13. The Designated Intermediaries will be given time till 1.00 p.m. on the next working day after the Bid/ Offer Closing Date to verify the DP ID and Client ID uploaded in the online IPO system during the Offer Period, after which the Registrar to the Offer will receive this data from the Stock Exchange and will validate the electronic application details with Depository's records. In case no corresponding record is available with Depositories, which matches the three parameters, namely DP ID, Client ID and PAN, then such applications are liable to be rejected.
14. The SCSBs shall be given one day after the Bid/ Offer Closing Date to send confirmation of Funds blocked (Final certificate) to the Registrar to the Offer.
15. The details uploaded in the online IPO system shall be considered as final and Allotment will be based on such details for applications.

Build of the Book

- a) Bids received from various Bidders through the Designated Intermediaries may be electronically uploaded on the Bidding Platform of the Stock Exchange on a regular basis. The book gets built up at various price levels. This information may be available with the BRLM at the end of the Bid/ Offer Period.
- b) Based on the aggregate demand and price for Bids registered on the Stock Exchange Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchange may be made available at the Bidding centers during the Bid/ Offer Period.

Withdrawal of Bids

- a) RIIs can withdraw their Bids until Bid/ Offer Closing Date. In case a RII wishes to withdraw the Bid during the Bid/Offer Period, the same can be done by submitting a request for the same to the concerned Designated Intermediary who shall do the requisite, including unblocking of the funds by the SCSB in the ASBA Account.
- b) The Registrar to the Offer shall give instruction to the SCSB for unblocking the ASBA Account on the Designated Date. QIBs and NIIs can neither withdraw nor lower the size of their Bids at any stage.

Price Discovery and Allocation

- a) Based on the demand generated at various price levels, our Company in consultation with the BRLM, shall finalize the Offer Price.
- b) The SEBI ICDR Regulations, 2018 specify the allocation or Allotment that may be made to various categories of Bidders in an Offer depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Offer size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the RHP. For details in relation to allocation, the Bidder may refer to the RHP.
- c) Under-subscription in any category (except QIB Category) is allowed to be met with spillover from any other category or combination of categories at the discretion of the Issuer in consultation with the BRLM and the Designated Stock Exchange and in accordance with the SEBI ICDR Regulations. Unsubscribed portion in QIB Category is not available for subscription to other categories.
- d) In case of under subscription in the Offer, spill-over to the extent of such under-subscription may be permitted from the Reserved Portion to the Offer. For allocation in the event of an undersubscription applicable to the Issuer, Bidders may refer to the RHP.
- e) In case if the Retail Individual Investor category is entitled to more than the allocated portion on proportionate basis, the category shall be allotted that higher percentage.

Illustration of the Book Building and Price Discovery Process: Bidders should note that this example is solely for illustrative purposes and is not specific to the Offer, it also excludes Bidding by Anchor Investors. Bidders can bid at any price within the Price Band. For instance, assume a Price Band of ₹20 to ₹ 24 per share, Offer size of 3,000 Equity Shares and receipt of five Bids from Bidders, details of which are shown in the table below. The illustrative book given below shows the demand for the Equity Shares of the Issuer at various prices and is collated from Bids received from various investors.

| Bid Quantity | Bid Amount (₹) | Cumulative Quantity | Subscription |
|-----------------|-------------------|------------------------|--------------|
|-----------------|-------------------|------------------------|--------------|

| | | | |
|-------|----|-------|---------|
| 500 | 24 | 500 | 16.67% |
| 1,000 | 23 | 1,500 | 50.00% |
| 1,500 | 22 | 3,000 | 100.00% |
| 2,000 | 21 | 5,000 | 166.67% |
| 2,500 | 20 | 7,500 | 250.00% |

The price discovery is a function of demand at various prices. The highest price at which the Issuer is able to Offer the desired number of Equity Shares is the price at which the book cuts off, i.e., ₹ 22.00 in the above example. The Issuer in consultation with the BRLM, may finalise the Offer Price at or below such Cut-Off Price, i.e., at or below ₹ 22.00. All Bids at or above this Offer Price and cut-off Bids are valid Bids and are considered for allocation in the respective categories.

Anchor Investors are not allowed to withdraw their Bids after Anchor Investors bidding date.

GENERAL INSTRUCTIONS

Do's:

1. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals. All should submit their Bids through the ASBA process only;
2. Ensure that you have Bid within the Price Band;
3. Read all the instructions carefully and complete the Bid cum Application Form, as the case may be, in the prescribed form;
4. Ensure that you have mentioned the correct ASBA Account number if you are not an RIB bidding using the UPI Mechanism in the Bid cum Application Form and if you are an RIB using the UPI Mechanism ensure that you have mentioned the correct UPI ID (with maximum length of 45 characters including the handle), in the Bid cum Application Form;
5. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre (except electronic Bids) within the prescribed time;
6. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB, before submitting the ASBA Form to any of the Designated Intermediaries;
7. If you are an ASBA Bidder and the first applicant is not the ASBA Account holder, ensure that the Bid cum Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;
8. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;
9. Ensure that you request for and receive a stamped acknowledgement counterfoil of the Bid cum Application Form for all your Bid options from the concerned Designated Intermediary;
10. Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. Ensure that the signature of the First Bidder is included in the Bid cum Application Forms;
11. RIBs bidding in the Offer to ensure that they shall use only their own ASBA Account or only their own bank account linked UPI ID (only for RIBs using the UPI Mechanism) to make an application in the Offer and not ASBA Account or bank account linked UPI ID of any third party;
12. Ensure that you submit the revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;
13. Ensure that you have correctly signed the authorization/undertaking box in the Bid cum Application Form or have otherwise provided an authorization to the SCSB or Sponsor Bank, as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form, as the case may be, at the time of submission of the Bid. In case of RIBs submitting their Bids and participating in the Offer through the UPI Mechanism, ensure that you authorize the UPI Mandate Request raised by the Sponsor Bank for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment;
14. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who,

in terms of the SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, (ii) submitted by investors who are exempt from the requirement of obtaining/specifying their PAN for transacting in the securities market, and (iii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in “active status”; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;

15. Investors to ensure that their PAN is linked with Aadhar and are in compliance with Central Board of Direct Taxes (“CBDT”) notification dated February 13, 2020 and press release dated June 25, 2021.
16. Ensure that the Demographic Details are updated, true and correct in all respects;
17. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;
18. Ensure that the category and the investor status is indicated;
19. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust, etc., relevant documents are submitted;
20. Ensure that Bids submitted by any person resident outside India is in compliance with applicable foreign and Indian laws;
21. Ensure that the Bidder’s depository account is active, the correct DP ID, Client ID, the PAN, UPI ID, if applicable, are mentioned in their Bid cum Application Form and that the name of the Bidder, the DP ID, Client ID, the PAN and UPI ID, if applicable, entered into the online IPO system of the Stock Exchange by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID, PAN and UPI ID, if applicable, available in the Depository database;
22. Ensure that when applying in the Offer using UPI, the name of your SCSB appears in the list of SCSBs displayed on the SEBI website which are live on UPI. Further, also ensure that the name of the app and the UPI handle being used for making the application is also appearing in Annexure ‘A’ to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019;
23. RIBs who wish to revise their Bids using the UPI Mechanism, should submit the revised Bid with the Designated Intermediaries, pursuant to which RIBs should ensure acceptance of the UPI Mandate Request received from the Sponsor Bank to 282inalized blocking of funds equivalent to the revised Bid Amount in the RIB’s ASBA Account;
24. Ensure that you have accepted the UPI Mandate Request received from the Sponsor Bank prior to 12:00 p.m. of the Working Day immediately after the Bid/ Offer Closing Date;
25. RIBs shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorize the UPI Mandate Request using his/her UPI PIN. Upon the authorization of the mandate using his/her UPI PIN, an RIB may be deemed to have verified the attachment containing the application details of the RIB in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorized the Sponsor Bank to block the Bid Amount mentioned in the Bid Cum Application Form;
26. Ensure that while Bidding through a Designated Intermediary, the Bid cum Application Form (RIBs bidding using the UPI Mechanism) is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of www.sebi.gov.in); and
27. FPIs making MIM Bids using the same PAN, and different beneficiary account numbers, Client IDs and DP IDs, are required to submit a confirmation that their Bids are under the MIM structure and indicate the name of their investment managers in such confirmation which shall be submitted along with each of their Bid cum Application Forms. In the absence of such confirmation from the relevant FPIs, such MIM Bids shall be rejected.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with. Application made using incorrect UPI handle or using a bank account of an SCSB or SCSBs which is not mentioned in the Annexure ‘A’ to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 is liable to be

rejected.

Don'ts:

1. Do not Bid for lower than the minimum Bid size;
2. Do not Bid for a Bid Amount exceeding ₹ 200,000 (for Bids by RIBs);
1. Do not pay the Bid Amount in cheques, demand drafts or by cash, money order, postal order or by stock invest;
2. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;
3. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
4. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;
5. Do not submit the Bid for an amount more than funds available in your ASBA account.
6. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum ApplicationForms in a colour prescribed for another category of a Bidder;
7. In case of ASBA Bidders, do not submit more than one ASBA Forms per ASBA Account;
8. If you are a RIB and are using UPI mechanism, do not submit more than one ASBA Form for each UPI ID;
9. Do not submit the ASBA Forms to any Designated Intermediary that is not authorised to collect the relevant ASBA Forms or to our Company;
10. Do not Bid on a Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;
11. Do not submit the General Index Register (GIR) number instead of the PAN;
12. Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID, if applicable, or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Offer;
13. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
14. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);
15. Do not submit a Bid/revise a Bid Amount, with a price less than the Floor Price or higher than the Cap Price;
16. Do not submit a Bid using UPI ID, if you are not a RIB;
17. Do not Bid on another ASBA Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediaries;
18. Do not Bid for Equity Shares in excess of what is specified for each category;
19. Do not fill up the Bid cum Application Form such that the number of Equity Shares Bid for, exceeds the Offer size and/or investment limit or maximum number of the Equity Shares that can be held under applicable laws or regulations or maximum amount permissible under applicable laws or regulations, or under the terms of the Red Herring Prospectus;
20. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Bidder. RIBs can revise or withdraw their Bids on or before the Bid/Offer Closing Date;
21. Do not submit Bids to a Designated Intermediary at a location other than the Bidding Centres;
22. If you are an RIB which is submitting the ASBA Form with any of the Designated Intermediaries and using your UPI ID for the purpose of blocking of funds, do not use any third-party bank account or third party linked bank account UPI ID;
23. Do not Bid if you are an OCB; and
24. If you are a QIB, do not submit your Bid after 3:00 pm on the Bid/Offer Closing Date.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with. Further, in case of any pre-Offer or post-Offer related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors can reach out to the Company Secretary and Compliance Officer. For details of Company Secretary and Compliance Officer, please see the section entitled “*General Information*” and “*Our*

Management” beginning on pages 69 and 164, respectively.

For helpline details of the BRLM pursuant to the SEBI/HO.CFD.DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, please see the section entitled “*General Information*” beginning on page 69.

GROUND FOR TECHNICAL REJECTION

In addition to the grounds for rejection of Bids on technical grounds as provided in the General Information Document, Bidders are requested to note that Bids may be rejected on the following additional technical grounds:

1. Bids submitted without instruction to the SCSBs to block the entire Bid Amount;
2. Bids which do not contain details of the Bid Amount and the bank account details in the ASBA Form;
3. Bids submitted on a plain paper;
4. Bids submitted by RIBs using the UPI Mechanism through an SCSBs and/or using a mobile application or UPI handle, not listed on the website of SEBI;
5. Bids under the UPI Mechanism submitted by RIBs using third party bank accounts or using a third party linked bank account UPI ID (subject to availability of information regarding third party account from Sponsor Bank);
6. ASBA Form submitted to a Designated Intermediary does not bear the stamp of the Designated Intermediary;
7. Bids submitted without the signature of the First Bidder or sole Bidder;
8. The ASBA Form not being signed by the account holders, if the account holder is different from the Bidder;
9. Bids by persons for whom PAN details have not been verified and whose beneficiary accounts are “suspended for credit” in terms of SEBI circular CIR/MRD/DP/ 22 /2010 dated July 29, 2010;
10. GIR number furnished instead of PAN;
11. Bids by RIBs with Bid Amount of a value of more than ₹ 2,00,000;
12. Bids by persons who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals;
13. Bids accompanied by stock invest, money order, postal order or cash; and
14. Bids uploaded by QIBs after 4.00 pm on the QIB Bid/ Offer Closing Date and by Non-Institutional Bidders uploaded after 4.00 p.m. on the Bid/ Offer Closing Date, and Bids by RIBs uploaded after 5.00 p.m. on the Bid/ Offer Closing Date, unless extended by the Stock Exchange.

Further, in case of any pre-Offer or post Offer related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors shall reach out the Company Secretary and Compliance Officer. For details of the Company Secretary and Compliance Officer, see “*General Information*” beginning on page 69.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/ Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹ 100/- per day for the entire duration of delay exceeding four Working Days from the Bid/ Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLM shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

Further, Investors shall be entitled to compensation in the manner specified in the SEBI Master Circular, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 read with SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 in case of delays in resolving investor grievances in relation to blocking/unblocking of funds.

SEBI pursuant to its circular bearing reference number SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 had reduced the time taken for listing of specified securities after the closure of public issue to 3 working days (T+3 days) as against the present requirement of 6 working days (T+6 days); ‘T’ being issue closing date. The provisions of this circular were applicable, on voluntary basis for public issues opening on or after September 1, 2023 and on mandatory basis for public issues opening on or after December 1, 2023. Our Company shall close this Offer in accordance with the timeline provided under the aforementioned circular. The timelines prescribed for public issues as mentioned in SEBI circulars dated November 1, 2018, June 28, 2019, November 8, 2019, March 30, 2020, March 16, 2021, June 2, 2021, and April 20, 2022 shall stand modified to the extent stated in this Circular.

Names of entities responsible for finalized the basis of allotment in a fair and proper manner

The authorized employees of the Designated Stock Exchange, along with the BRLM and the Registrar, shall ensure that the Basis of Allotment is finalized in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

For details of instructions in relation to the Bid cum Application Form, Bidders may refer to the relevant section the GID.

BIDDERS SHOULD NOTE THAT IN CASE THE PAN, THE DP ID AND CLIENT ID MENTIONED IN THE BID CUM APPLICATION FORM AND ENTERED INTO THE ELECTRONIC APPLICATION SYSTEM OF THE STOCK EXCHANGES BY THE BIDS COLLECTING INTERMEDIARIES DO NOT MATCH WITH PAN, THE DP ID AND CLIENT ID AVAILABLE IN THE DEPOSITORY DATABASE, THE BID CUM APPLICATION FORM IS LIABLE TO BE REJECTED.

BASIS OF ALLOCATION

- a) The SEBI (ICDR) Regulations specify the allocation or Allotment that may be made to various categories of Bidders in an Offer depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Offer size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the DRHP. For details in relation to allocation, the Bidder may refer to the RHP.
- b) Under-subscription in any category (except QIB Category) is allowed to be met with spill over from any other category or combination of categories at the discretion of the Issuer in consultation with the BRLM and the Designated Stock Exchange and in accordance with the SEBI (ICDR) Regulations, Unsubscribed portion in QIB Category is not available for subscription to other categories.
- c) In case of under subscription in the Offer, spill-over to the extent of such under- subscription may be permitted from the Reserved Portion to the Offer. For allocation in the event of an under-subscription applicable to the Issuer, Bidders may refer to the RHP.

ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT

The allotment of Equity Shares to Bidders other than Retail Individual Investors may be on proportionate basis. No Retail Individual Investor will be allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Investor Category and the remaining available shares, if any will be allotted on a proportionate basis. The Issue was 100% underwritten.

Flow of Events from the closure of Bidding period (T DAY) Till Allotment:

- On T Day, RTA to validate the electronic bid details with the depository records and also reconcile the final certificates received from the Sponsor Bank for UPI process and the SCSBs for ASBA and Syndicate ASBA process with the electronic bid details
- RTA identifies cases with mismatch of account number as per bid file / FC and as per applicant's bank account linked to depository demat account and seek clarification from SCSB to identify the applications with third party account for rejection.
- Third party confirmation of applications to be completed by SCSBs on T+1 day.
- RTA prepares the list of final rejections and circulate the rejections list with BRLM(s)/ Company for their review/ comments.
- Post rejection, the RTA submits the basis of allotment with the Designated Stock Exchange (DSE).
- The DSE, post verification approves the basis and generates drawal of lots wherever applicable, through a random number generation software.
- The RTA uploads the drawal numbers in their system and generates the final list of allottees as per process mentioned below.

Process for generating list of Allottees:

- Instruction is given by RTA in their Software System to reverse category wise all the application numbers in the ascending order and generate the bucket /batch as per the allotment ratio. For example, if the application number is 78654321 then system reverses it to 12345687 and if the ratio of allottees to applicants in a category is 2:7 then the system will create lots of 7. If the drawal of lots provided by Designated Stock Exchange (DSE) is 3 and 5 then the system will pick every 3rd and 5th application in each of the lot of the category and these applications will be allotted the shares in that category.
- In categories where there is proportionate allotment, the Registrar will prepare the proportionate working

based on the oversubscription times.

- In categories where there is undersubscription, the Registrar will do full allotment for all valid applications.

On the basis of the above, the RTA will work out the allottees, partial allottees and non- allottees, prepare the fund transfer letters and advice the SCSBs to debit or unblock the respective accounts.

BASIS OF ALLOTMENT

a. For Retail Individual Bidders

Bids received from the Retail Individual Bidders at or above the Offer Price shall be grouped together to determine the total demand under this category. The Allotment to all the successful Retail Individual Bidders will be made at the Offer Price.

The Offer size less Allotment to Non-Institutional and QIB Bidders shall be available for allotment to Retail Individual Bidders who have Bid in the Offer at a price that is equal to or greater than the Offer Price. If the aggregate demand in this category is less than or equal to [●] Equity Shares of face value of ₹ 10 each at or above the Offer Price, full Allotment shall be made to the Retail Individual Bidders to the extent of their valid Bids.

If the aggregate demand in this category is greater than [●] Equity Shares of face value of ₹ 10 each at or above the Offer Price, the Allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares of face value of ₹ 10 each and in multiples of [●] Equity Shares of face value of ₹ 10 each thereafter. For the method of proportionate Basis of Allotment, refer below.

b. For Non-Institutional Bidders

Bids received from Non-Institutional Bidders at or above the Offer Price shall be grouped together to determine the total demand under this category. The Allotment to all successful Non- Institutional Bidders will be made at the Offer Price.

The Offer size less Allotment to QIBs and Retail shall be available for allotment to Non- Institutional Bidders who have Bid in the Offer at a price that is equal to or greater than the Offer Price. If the aggregate demand in this category is less than or equal to [●] Equity Shares of face value of ₹ 10 each at or above the Offer Price, full allotment shall be made to Non-Institutional Bidders to the extent of their demand.

In case the aggregate demand in this category is greater than [●] Equity Shares of face value of ₹ 10 each at or above the Offer Price, Allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares of face value of ₹ 10 each and in multiples of [●] Equity Shares of face value of ₹ 10 each thereafter. For the method of proportionate Basis of Allotment refer below.

c. Allotment To Anchor Investor (If Applicable)

a) Allocation of Equity Shares to Anchor Investors at the Anchor Investor Allocation Price will be at the discretion of the Issuer in consultation with the BRLM, subject to compliance with the following requirements:

- i. not more than 60% of the QIB Portion will be allocated to Anchor Investors;
- ii. one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors; and
- iii. allocation to Anchor Investors shall be on a discretionary basis and subject to:
 - maximum number of two Anchor Investors for allocation up to ₹ 2 crores; a minimum number of two Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹ 2 crores and up to ₹ 25 crores subject to minimum allotment of ₹ 1 crores per such Anchor Investor; and
 - in case of allocation above twenty-five crore rupees; a minimum of 5 such investors and a maximum of 15 such investors for allocation up to twenty-five crore rupees and an additional 10 such investors for every additional twenty-five crore rupees or part thereof, shall be permitted, subject to a minimum allotment of one crore rupees per such investor.

d. For QIBs

Bids received from QIBs Bidding in the QIB Category at or above the Offer Price may be grouped together to determine the total demand under this category. The QIB Category may be available for Allotment to QIBs who

have Bid at a price that is equal to or greater than the Offer Price. Allotment may be undertaken in the following manner: Allotment shall be undertaken in the following manner:

i. In the first instance, allocation to Mutual Funds for [●]% of the QIB Portion shall be determined as follows:

- In the event that Bids by Mutual Fund exceeds [●]% of the QIB Portion, allocation to Mutual Funds shall be done on a proportionate basis for [●]% of the QIB Portion.
- In the event that the aggregate demand from Mutual Funds is less than [●]% of the QIB Portion then all Mutual Funds shall get full Allotment to the extent of valid Bids received above the Offer Price.
- Equity Shares remaining unsubscribed, if any, not allocated to Mutual Funds shall be available for Allotment to all QIB Bidders as set out in (b) below;

ii. In the second instance, allotment to all QIBs shall be determined as follows:

- In the event of oversubscription in the QIB Portion, all QIB Bidders who have submitted Bids above the Offer Price shall be allotted Equity Shares on a proportionate basis, upto a minimum of [●] Equity Shares of face value of ₹ 10 each and in multiples of [●] Equity Shares of face value of ₹ 10 each thereafter for [●]% of the QIB Portion.
- Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis, upto a minimum of [●] Equity Shares of face value of ₹ 10 each and in multiples of [●] Equity Shares of face value of ₹ 10 each thereafter, along with other QIB Bidders.
- Under-subscription below [●]% of the QIB Portion, if any, from Mutual Funds, would be included for allocation to the remaining QIB Bidders on a proportionate basis. The aggregate Allotment to QIB Bidders shall not be more than [●] Equity Shares of face value of ₹ 10 each.

iii. Basis of Allotment for QIBs and NIIs in case of Over Subscribed Offer:

In the event of the Offer being Over-Subscribed, the Issuer may finalise the Basis of Allotment in consultation with the National Stock Exchange of India Limited Emerge (The Designated Stock Exchange). The allocation may be made in marketable lots on proportionate basis as set forth hereunder:

- a) The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the oversubscription ratio (number of Bidders in the category multiplied by number of Shares applied for).
- b) The number of Shares to be allocated to the successful Bidders will be arrived at on a proportionate basis in marketable lots (i.e. Total number of Shares applied for into the inverse of the over subscription ratio).
- c) For Bids where the proportionate allotment works out to less than [●] Equity Shares of face value of ₹ 10 each the allotment will be made as follows:
 - Each successful Bidder shall be allotted [●] Equity Shares of face value of ₹ 10 each; and
 - The successful Bidder out of the total bidders for that category shall be determined by draw of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (b) above.
- d) If the proportionate allotment to a Bidder works out to a number that is not a multiple of [●] Equity Shares of face value of ₹ 10 each, the Bidder would be allotted Shares by rounding off to the nearest multiple of [●] Equity Shares of face value of ₹ 10 each subject to a minimum allotment of [●] Equity Shares of face value of ₹ 10 each.
- e) If the Shares allotted on a proportionate basis to any category is more than the Shares allotted to the Bidders in that category, the balance available Shares or allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful Bidder in that category, the balance shares, if any, remaining after such adjustment will be added to the category comprising Bidder applying for the minimum number of Shares. If as a result of the process of rounding off to the nearest multiple of [●] Equity Shares of face value of ₹ 10 each, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, up to 110% of the size of the Offer specified under the Capital Structure mentioned in this DRHP.

Retail Individual Investor means an investor who applies for shares of value of not more than ₹ 2,00,000/. Investors may note that in case of over subscription, allotment shall be on proportionate basis and will be finalized in consultation with National Stock Exchange of India Limited.

The Executive Director / Managing Director of National Stock Exchange of India Limited – the Designated Stock Exchange in addition to Book Running Lead Manager and Registrar to the Public Offer shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations.

Issuance of Allotment Advice

- 1) Upon approval of the Basis of Allotment by the Designated Stock Exchange.
- 2) On the basis of approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the allotment and credit of equity shares. Bidders are advised to instruct their Depository Participants to accept the Equity Shares that may be allotted to them pursuant to the Offer.

The Book Running Lead Manager or the Registrar to the Offer will dispatch an Allotment Advice to their Bidders who have been allocated Equity Shares in the Offer. The dispatch of Allotment Advice shall be deemed valid, binding and irrevocable contract for the Allotment to such Bidder.

- 3) Issuer will make the allotment of the Equity Shares and initiate corporate action for credit of shares to the successful Bidders Depository Account within 4 working days of the Offer Closing date. The Issuer also ensures that credit of shares to the successful Bidders Depository Account is completed within one working Day from the date of allotment, after the funds are transferred from ASBA Public Offer Account to Public Offer account of the issuer.

Designated Date:

On the Designated date, the SCSBs shall transfer the funds represented by allocations of the Equity Shares into Public Offer Account with the Bankers to the Offer.

The Company will Offer and dispatch letters of allotment/ or letters of regret along with refund order or credit the allotted securities to the respective beneficiary accounts, if any, within a period of 4 working days of the Bid/ Offer Closing Date. The Company will intimate the details of allotment of securities to Depository immediately on allotment of securities under relevant provisions of the Companies Act, 2013 or other applicable provisions, if any.

Instructions for Completing the Bid Cum Application Form

The Applications should be submitted on the prescribed Bid Cum Application Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Bid Cum Application Form. Applications not so made are liable to be rejected. Applications made using a third-party bank account or using third party UPI ID linked bank account are liable to be rejected. Bid Cum Application Forms should bear the stamp of the Designated Intermediaries. ASBA Bid Cum Application Forms, which do not bear the stamp of the Designated Intermediaries, will be rejected.

SEBI, vide Circular No.CIR/CFD/14/2012 dated October 04, 2012 has introduced an additional mechanism for investors to submit Bid Cum Application Forms in public issues using the stock broker (broker) network of Stock Exchanges, who may not be syndicate members in an Offer with effect from January 01, 2013. The list of Broker Centre is available on the website of National Stock Exchange of India Limited i.e. www.nseindia.com. With a view to broad base the reach of Investors by substantial, enhancing the points for submission of applications, SEBI vide Circular No. CIR/CFD/POLICY CELL/11/2015 dated November 10, 2015 has permitted Registrar to the Offer and Share Transfer Agent and Depository Participants registered with SEBI to accept the Bid Cum Application Forms in Public Offer with effect from January 01, 2016. The List of RTA and DPs centres for collecting the application shall be disclosed is available on the website of National Stock Exchange of India Limited i.e. www.nseindia.com

Bidder's Depository Account and Bank Details

Please note that, providing bank account details, PAN No's, Client ID and DP ID in the space provided in the Bid Cum Application Form is mandatory and applications that do not contain such details are liable to be rejected.

Bidders should note that on the basis of name of the Bidders, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Bid Cum Application Form as entered into the Stock Exchange online system, the Registrar to the Offer will obtain from

the Depository, the demographic details including address, Bidders bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Demographic Details would be used for all correspondence with the Bidders including mailing of the Allotment Advice. The Demographic Details given by Bidders in the Bid Cum Application Form would not be used for any other purpose by the Registrar to the Offer.

By signing the Bid Cum Application Form, the Bidder would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Offer, the required Demographic Details as available on its records.

Submission of Bid Cum Application Form

All Bid Cum Application Forms duly completed shall be submitted to the Designated Intermediaries. The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the Bid Cum Application Form, in physical or electronic mode, respectively.

Communications

All future communications in connection with Applications made in this Offer should be addressed to the Registrar to the Offer quoting the full name of the sole or First Bidder, Bid Cum Application Form number, Bidders Depository Account Details, number of Equity Shares applied for, date of Bid Cum Application Form, name and address of the Designated Intermediary where the Application was submitted thereof and a copy of the acknowledgement slip.

Investors can contact the Compliance Officer or the Registrar to the Offer in case of any pre- Offer or post Offer related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, etc.

Disposal of Application and Application Moneys and Interest in Case of Delay

The Company shall ensure the dispatch of Allotment advice and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchange within 2 (two) working days of date of Allotment of Equity Shares.

The Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at NSE Emerge where the Equity Shares are proposed to be listed are taken within 6 (Six) working days from Offer Closing Date.

In accordance with the Companies Act, the requirements of the Stock Exchange and the SEBI Regulations, the Company further undertakes that:

1. Allotment and Listing of Equity Shares shall be made within three (03) days of the Offer Closing Date;
2. Giving of Instructions for refund by unblocking of amount via ASBA not later than 4(four) working days of the Offer Closing Date, would be ensured; and
3. If such money is not repaid within prescribed time from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of prescribed time, be liable to repay such application money, with interest as prescribed under SEBI (ICDR) Regulations, the Companies Act, 2013 and applicable law. Further, in accordance with Section 40 of the Companies Act, 2013, the Company and each officer in default may be punishable with fine and/or imprisonment in such a case.

SEBI pursuant to its circular bearing reference number SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 had reduced the time taken for listing of specified securities after the closure of public issue to 3 working days (T+3 days) as against the present requirement of 6 working days (T+6 days); 'T' being issue closing date. The provisions of this circular were applicable, on voluntary basis for public issues opening on or after September 1, 2023 and on mandatory basis for public issues opening on or after December 1, 2023. Our Company shall close this Offer in accordance with the timeline provided under the aforementioned circular.

BASIS OF ALLOTMENT

Allotment will be made in consultation National Stock Exchange of India Limited (The Designated Stock Exchange). In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth here:

1. The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the over subscription ratio (number of applicants in the category x number of Shares applied for).

2. The number of Shares to be allocated to the successful applicants will be arrived at on a proportionate basis in marketable lots (i.e. Total number of Shares applied for into the inverse of the over subscription ratio).
3. For applications where the proportionate allotment works out to less than [●] Equity Shares of face value of ₹ 10 each the allotment will be made as follows:
 - i. Each successful applicant shall be allotted [●] Equity Shares of face value of ₹ 10 each; and
 - ii. The successful applicants out of the total applicants for that category shall be determined by the drawl of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (2) above.
4. If the proportionate allotment to an applicant works out to a number that is not a multiple of [●] Equity Shares of face value of ₹ 10 each, the applicant would be allotted Shares by rounding off to the lower nearest multiple of [●] Equity Shares of face value of ₹ 10 each subject to a minimum allotment of [●] Equity Shares of face value of ₹ 10 each.
5. If the Shares allocated on a proportionate basis to any category is more than the Shares allotted to the applicants in that category, the balance available Shares for allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful applicants in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising of applicants applying for the minimum number of Shares.

BASIS OF ALLOTMENT IN THE EVENT OF UNDER SUBSCRIPTION

In the event of under subscription in the Offer, the obligations of the Underwriters shall get triggered in terms of the Underwriting Agreement. The Minimum subscription of 100.00% of the Offer size shall be achieved before our company proceeds to get the basis of allotment approved by the Designated Stock Exchange. The Executive Director/Managing Director of the National Stock Exchange of India Limited – the Designated Stock Exchange in addition to Book Running Lead Manager and Registrar to the Offer shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations, 2018.

As per the RBI regulations, OCBs are not permitted to participate in the Offer. There is no reservation for Non-Residents, NRIs, FPIs and foreign venture capital funds and all Non-Residents, NRI, FPI and Foreign Venture Capital Funds applicants will be treated on the same basis with other categories for the purpose of allocation.

Equity Shares in Dematerialised Form with NSDL/CDSL

To enable all shareholders of the Company to have their shareholding in electronic form, the Company is in process of entering following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- a) We have entered into a tripartite agreement between NSDL, the Company and the Registrar to the Offer on August 9, 2024.
- b) We have entered into a tripartite agreement between CDSL, the Company and the Registrar to the Offer on August 22, 2024 .
- c) The Company's Equity shares bear an ISIN No. INE10VS01016.

An Applicant applying for Equity Shares must have at least one beneficiary account with either of the Depository Participants of either NSDL or CDSL prior to making the Application.

- The Applicant must necessarily fill in the details (including the Beneficiary Account Number and Depository Participant's identification number) appearing in the Application Form or Revision Form.
- Allotment to a successful Applicant will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Applicant.
- Names in the Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.
- If incomplete or incorrect details are given under the heading 'Applicants Depository Account Details' in the Application Form or Revision Form, it is liable to be rejected.
- The Applicant is responsible for the correctness of his or her Demographic Details given in the Application Form vis à vis those with his or her Depository Participant.

- Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchange where our Equity Shares are proposed to be listed has electronic connectivity with CDSL and NSDL.
- The allotment and trading of the Equity Shares of the Company would be in dematerialized form only for all investors.

PRE-OFFER ADVERTISEMENT

Subject to Section 30 of the Companies Act, 2013, our Company shall, after filing the Red Herring Prospectus with the RoC, publish a Pre-Offer advertisement, in the form prescribed by the SEBI ICDR Regulations, 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)).

In the Pre-Offer advertisement, we shall state the Bid/Offer Opening Date and the Bid/Offer Closing Date. The advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule X of the SEBI ICDR Regulations.

SIGNING OF THE UNDERWRITING AGREEMENT AND THE ROC FILING

- a) Our Company and the Underwriter intend to enter into an Underwriting Agreement on or before the filing of Red Herring Prospectus.
- b) After signing the Underwriting Agreement, an updated Red Herring Prospectus will be filed with the RoC in accordance with applicable law, which then would be termed as the 'Prospectus'. The Prospectus will contain details of the Offer Price, Offer size, and underwriting arrangements and will be complete in all material respects.

IMPERSONATION

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, which is reproduced below:

“Any person who:

- I. makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- II. makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- III. otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.”*

The liability prescribed under Section 447 of the Companies Act, for fraud involving an amount of at least ₹ 10/- Lakhs or 1.00% of the turnover of the Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount (provided that where the fraud involves public interest, such term shall not be less than three years.) Further, where the fraud involves an amount less than ₹ 10/- lakhs or one per cent of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to ₹ 50/- Lakh or with both.

UNDERTAKINGS BY OUR COMPANY

Our Company undertakes the following:

- adequate arrangements shall be made to collect all Bid cum Application Forms submitted by Bidders;
- the complaints received in respect of the Offer shall be attended to by our Company expeditiously and satisfactorily;
- all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchange where the Equity Shares are proposed to be listed shall be taken within six Working Days of the Bid/Offer Closing Date or such other time as may be prescribed by the SEBI or under any applicable law;
- if Allotment is not made within the prescribed time period under applicable law, the entire Bid amount received will be refunded/unblocked within the time prescribed under applicable law, failing which interest will be due to be paid to the Bidders at the rate prescribed under applicable law for the delayed period;

- the funds required for making refunds (to the extent applicable) to unsuccessful Bidders as per the mode(s) disclosed shall be made available to the Registrar to the Offer by our Company;
- where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the Bidder within the time prescribed under applicable law, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- no further Offer of the Equity Shares shall be made until the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are unblocked in ASBA Account/refunded on account of non-listing, under- subscription, etc.
- our Company and the Selling Shareholders, in consultation with the BRLM, reserves the right not to proceed with the Fresh Issue, in whole or in part thereof, to the extent of the Offered Shares, after the Bid/ Offer Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Offer advertisements were published, within two days of the Bid/ Offer Closing Date or such other time as may be prescribed by the SEBI, providing reasons for not proceeding with the Offer and inform the Stock Exchanges promptly on which the Equity Shares are proposed to be listed; and
- if our Company and the Selling Shareholders, in consultation with the BRLM withdraws the Offer after the Bid/ Offer Closing Date and thereafter determines that it will proceed with an issue of the Equity Shares, our Company shall file a fresh Draft Red Herring Prospectus with the SEBI.

Undertakings by the Selling Shareholders

Only statements and undertakings which are specifically “confirmed” or “undertaken” by the Selling Shareholders in this Draft Red Herring Prospectus shall be deemed to be “Statements and Undertakings made by the Selling Shareholders”. All other statements and/ or undertakings in this Draft Red Herring Prospectus shall be statements and undertakings made by our Company even if the same relates to the Selling Shareholders. Each of the Selling Shareholders specifically confirms and undertakes the following in respect of himself and the Equity Shares being offered by him pursuant to the Offer for Sale:

- The portion of the offered Shares shall be transferred in the Offer free and clear of any pre-emptive rights, liens, mortgages, charges, pledges, trusts or any other encumbrance or transfer restrictions, both present and future, in a manner prescribed under Applicable Law in relation to the Offer, and without any objection by it and in accordance with the instructions of the Registrar to the Offer.
- They shall not offer, lend, pledge, charge, transfer or otherwise encumber, sell, dispose off any of their respective Offered Shares being offered pursuant to the Offer until such time that the lock-in (if applicable) remains effective save and except as may be permitted under the SEBI ICDR Regulations;
- The portion of the Offered Shares have been held by the Selling Shareholders for a minimum period of one year prior to the date of filing the Draft Red Herring Prospectus, such period determined in accordance with Regulation 26 (6) of the SEBI ICDR Regulations.
- They are the legal and beneficial owner and have full title of their respective portion of the Offered Shares.
- That they shall provide all reasonable co-operation as requested by our Company and the Book Running Lead Manager in relation to the completion of the Allotment and dispatch of the Allotment Advice and CAN, if required, and refund orders (as applicable) to the requisite extent of their portion of the Offered Shares.
- They will not have recourse to the proceeds of the Offer for Sale, until approval for final listing and trading of the Equity Shares is received from the Stock Exchanges.
- They will deposit their respective portion of the Offered Shares in an escrow account opened with the Share Escrow Agent prior to filing of the Prospectus with the RoC.
- They shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise, to any person for making an Application in the Offer, and shall not make any payment, whether direct or indirect, whether in the nature of discounts, commission, allowance or otherwise, to any person who makes an Application in the Offer, except as permitted under applicable law;
- That they will provide such reasonable support and extend such reasonable cooperation as may be required by our Company and the Book Running Lead Manager in redressal of such investor grievances that pertain to the Equity Shares held by him and being offered pursuant to the Offer.

The Selling Shareholders have authorized the Company Secretary and Compliance Officer of our Company and the Registrar to the Offer to redress any complaints received from Applicants in respect of the Offer for Sale

UTILIZATION OF OFFER PROCEEDS

Our Board certifies that:

- all monies received out of the Fresh Issue shall be credited/transferred to a separate bank account other than the

- bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013;
- details of all monies utilized out of the Fresh Issue shall be disclosed, and continue to be disclosed till the time any part of the Offer proceeds remains unutilized, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilized; and
 - details of all unutilized monies out of the Fresh Issue, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilized monies have been invested.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and Foreign Exchange Management Act, 1999 (“**FEMA**”). While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The government bodies responsible for granting foreign investment approvals are the Reserve Bank of India (“**RBI**”) and Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (“**DIPP**”).

The Government of India, from time to time, has made policy pronouncements on Foreign Direct Investment (“**FDI**”) through press notes and press releases. The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (“**DIPP**”), has issued consolidated FDI Policy Circular of 2017 (“**FDI Policy 2017**”), which with effect from August 28, 2017, consolidates and supersedes all previous press notes, press releases and clarifications on FDI Policy issued by the DIPP that were in force. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Policy 2017 will be valid until the DIPP issues an updated circular. The RBI also issues Master Circular on Foreign Investment in India every year. Presently, FDI in India is being governed by Master Circular on Foreign Investment dated July 01, 2015 as updated from time to time by RBI. In terms of the Master Circular, an Indian company may issue fresh shares to people resident outside India (who is eligible to make investments in India, for which eligibility criteria are as prescribed). Such fresh issue of shares shall be subject to *inter-alia*, the pricing guidelines prescribed under the Master Circular. The Indian company making such fresh issue of shares would be subject to the reporting requirements, *inter-alia* with respect to consideration for issue of shares and also subject to making certain filings including filing of Form FC-GPR.

Under the current FDI Policy of 2017, foreign direct investment in micro and small enterprises is subject to sectoral caps, entry routes and other sectoral regulations. At present 100 % foreign direct investment through automatic route is permitted in the sector in which our Company operates. Therefore applicable foreign investment up to 100% is permitted in our company under automatic route.

In case of investment in sectors through Government Route approval from competent authority as mentioned in Chapter 4 of the FDI Policy 2017 has to be obtained by the Company. The transfer of shares between an Indian resident to a non-resident does not require the prior approval of the RBI, subject to fulfilment of certain conditions as specified by DIPP/RBI, from time to time. Such conditions include: (i) where the transfer of shares requires the prior approval of the Government as per the extant FDI policy provided that: a) the requisite approval of the Government has been obtained; and b) the transfer of shares adheres with the pricing guidelines and documentation requirements as specified by the Reserve Bank of India from time to time.; (ii) where the transfer of shares attract SEBI (SAST) Regulations subject to the adherence with the pricing guidelines and documentation requirements as specified by reserve Bank of India from time to time.; (iii) where the transfer of shares does not meet the pricing guidelines under the FEMA, 1999 provided that: a) The resultant FDI is in compliance with the extant FDI policy and FEMA regulations in terms of sectoral caps, conditionalities (such as minimum capitalization, etc.), reporting requirements, documentation etc.; b) The pricing for the transaction is compliant with the specific/explicit, extant and relevant SEBI regulations/guidelines (such as IPO, Book building, block deals, delisting, exit, open offer/substantial acquisition/SEBI SAST); and Chartered Accountants Certificate to the effect that compliance with the relevant SEBI regulations/guidelines as indicated above is attached to the form FC-TRS to be filed with the AD bank and iv) where the investee company is in the financial sector provided that: a) Any ‘fit and proper/due diligence’ requirements as regards the non-resident investor as stipulated by the respective financial sector regulator, from time to time, have been complied with; and b) The FDI policy and FEMA regulations in terms of sectoral caps, conditionalities (such as minimum capitalization, pricing, etc.), reporting requirements, documentation etc., are complied with. As per the existing policy of the Government of India, OCBs cannot participate in this Offer and in accordance with the extant FDI guidelines on sectoral caps, pricing guidelines etc. as amended by Reserve bank of India, from time to time. Investors are advised to confirm their eligibility under the relevant laws before investing and / or subsequent purchase or sale transaction in the Equity Shares of Our Company. Investors will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives, as applicable, accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

Investment conditions/restrictions for overseas entities

Under the current FDI Policy 2017, the maximum amount of Investment (sectoral cap) by foreign investor in an issuing entity is composite unless it is explicitly provided otherwise including all types of foreign investments, direct and indirect, regardless of whether it has been made for FDI, , FPI, NRI/OCI, LLPs, FVCI, Investment Vehicles and DRs under Schedule 1, 2, , 3, 6, 7, 8, 9, and 11 of FEMA (Transfer or Issue of Security by Persons Resident outside India)

Regulations, 2017. Any equity holding by a person resident outside India resulting from conversion of any debt instrument under any arrangement shall be reckoned as foreign investment under the composite cap. Portfolio Investment upto aggregate foreign investment level of 49% or sectoral/statutory cap, whichever is lower, will not be subject to either Government approval or compliance of sectoral conditions, if such investment does not result in transfer of ownership and/or control of Indian entities from resident Indian citizens to non-resident entities. Other foreign investments will be subject to conditions of Government approval and compliance of sectoral conditions as per FDI Policy. The total foreign investment, direct and indirect, in the issuing entity will not exceed the sectoral/statutory cap.

i. Investment by FPIs under Portfolio Investment Scheme (PIS):

With regards to purchase/sale of capital instruments of an Indian company by an FPI under PIS the total holding by each FPI or an investor group as referred in SEBI (FPI) Regulations, 2014 shall not exceed 10 % of the total paid-up equity capital on a fully diluted basis or less than 10% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all FPIs put together shall not exceed 24 % of paid-up equity capital on fully diluted basis or paid-up value of each series of debentures or preference shares or share warrants. The said limit of 10 percent and 24 percent will be called the individual and aggregate limit, respectively. However, this limit of 24 % may be increased up to sectoral cap/statutory ceiling, as applicable, by the Indian company concerned by passing a resolution by its Board of Directors followed by passing of a special resolution to that effect by its general body.

ii. Investment by NRI or OCI on repatriation basis:

The purchase/sale of equity shares, debentures, preference shares and share warrants issued by an Indian company (hereinafter referred to as “Capital Instruments”) of a listed Indian company on a recognised stock exchange in India by Non-Resident Indian (NRI) or Overseas Citizen of India (OCI) on repatriation basis is allowed subject to certain conditions under Schedule 3 of the FEMA (Transfer or Issue of security by a person resident outside India) Regulations, 2017 i.e.:

- The total holding by any individual NRI or OCI shall not exceed 5 percent of the total paid-up equity capital on a fully diluted basis or should not exceed 5 percent of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10 percent of the total paid-up equity capital on a fully diluted basis or shall not exceed 10 percent of the paid-up value of each series of debentures or preference 373 shares or share warrants; provided that the aggregate ceiling of 10 percent may be raised to 24 percent if a special resolution to that effect is passed by the general body of the Indian company.

iii. Investment by NRI or OCI on non-repatriation basis:

As per current FDI Policy 2017, schedule 4 of FEMA (Transfer or Issue of Security by Persons Resident outside India) Regulations – Purchase/ sale of Capital Instruments or convertible notes or units or contribution to the capital of an LLP by a NRI or OCI on non-repatriation basis – will be deemed to be domestic investment at par with the investment made by residents. This is further subject to remittance channel restrictions. The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (“US Securities Act”) or any other state securities laws in the United States of America and may not be sold or offered within the United States of America, or to, or for the account or benefit of “US Persons” as defined in Regulation S of the U.S. Securities Act, except pursuant to exemption from, or in a transaction not subject to, the registration requirements of US Securities Act and applicable state securities laws. Accordingly, the equity shares are being offered and sold only outside the United States of America in an offshore transaction in reliance upon Regulation S under the US Securities Act and the applicable laws of the jurisdiction where those offers and sale occur.

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholders and the Book Running Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the Applications are not in violation of laws or regulations applicable to them and do not exceed the applicable limits under the laws and regulations.

SECTION IX – DESCRIPTION OF EQUITY SHARES AND TERMS OF ARTICLES OF ASSOCIATION

Capitalised terms used in this section have the meaning that has been given to such terms in the Articles of Association of our Company. Pursuant to Schedule I of the Companies Act, 2013 and the SEBI ICDR Regulations, the main provisions of the Articles of Association of our Company are detailed below:

We confirm that there are no material clauses of Article of Association that have been left out from disclosure having bearing on the Offer.

| Article No. | Articles | Particulars |
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| 1. | Table F Applicable. | No regulation contained in Table “F” in the First Schedule to Companies Act, 2013 shall apply to this Company but the regulations for the Management of the Company and for the observance of the Members thereof and their representatives shall be as set out in the relevant provisions of the Companies Act, 2013 and subject to any exercise of the statutory powers of the Company with reference to the repeal or alteration of or addition to its regulations by Special Resolution as prescribed by the said Companies Act, 2013 be such as are contained in these Articles unless the same are repugnant or contrary to the provisions of the Companies Act, 2013 or any amendment thereto. |
| CAPITAL | | |
| 3. | Authorized Capital. | The Authorized Share Capital of the Company shall be such amount as may be mentioned in Clause V of Memorandum of Association of the Company from time to time. |
| 4. | Increase of capital by the Company how carried into effect | The Company may in General Meeting from time to time by Ordinary Resolution increase its capital by creation of new Shares which may be unclassified and may be classified at the time of issue in one or more classes and of such amount or amounts as may be deemed expedient. The new Shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the resolution shall prescribe and in particular, such Shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company and with a right of voting at General Meeting of the Company in conformity with Section 47 of the Act. Whenever the capital of the Company has been increased under the provisions of this Article the Directors shall comply with the provisions of Section 64 of the Act. |
| 5. | New Capital same as existing capital | Except so far as otherwise provided by the conditions of issue or by these Presents, any capital raised by the creation of new Shares shall be considered as part of the existing capital, and shall be subject to the provisions herein contained, with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise. |
| 6. | Non-Voting Shares | The Board shall have the power to issue a part of authorized capital by way of non-voting Shares at price(s) premia, dividends, eligibility, volume, quantum, proportion and other terms and conditions as they deem fit, subject however to provisions of law, rules, regulations, notifications and enforceable guidelines for the time being in force. |
| 7. | Redeemable Preference Shares | Subject to the provisions of the Act and these Articles, the Board of Directors may issue redeemable preference shares to such persons, on such terms and conditions and at such times as Directors think fit either at premium or at par, and with full power to give any person the option to call for or be allotted shares of the company either at premium or at par, such option being exercisable at such times and for such consideration as the Board thinks fit. |
| 8. | Voting rights of preference shares | The holder of Preference Shares shall have a right to vote only on Resolutions, which directly affect the rights attached to his Preference Shares. |
| 9. | Provisions to apply on issue of Redeemable Preference Shares | On the issue of redeemable preference shares under the provisions of Article hereof, the following provisions shall take effect: <ol style="list-style-type: none"> (a) No such Shares shall be redeemed except out of profits of which would otherwise be available for dividend or out of proceeds of a fresh issue of shares made for the purpose of the redemption; (b) No such Shares shall be redeemed unless they are fully paid; (c) Subject to section 55(2)(d)(i) the premium, if any payable on redemption shall have been provided for out of the profits of the Company or out of the Company's security premium account, before the Shares are redeemed; (d) Where any such Shares are redeemed otherwise then out of the proceeds of a fresh issue, there shall out of profits which would otherwise have been available for dividend, be transferred to a reserve fund, to be called "the Capital Redemption Reserve Account", a sum equal to the nominal amount |

| Article No. | Articles | Particulars |
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| | | <p>of the Shares redeemed, and the provisions of the Act relating to the reduction of the share capital of the Company shall, except as provided in Section 55 of the Act apply as if the Capital Redemption Reserve Account were paid-up share capital of the Company; and</p> <p>(e) Subject to the provisions of Section 55 of the Act, the redemption of preference shares hereunder may be effected in accordance with the terms and conditions of their issue and in the absence of any specific terms and conditions in that behalf, in such manner as the Directors may think fit. The reduction of Preference Shares under the provisions by the Company shall not be taken as reducing the amount of its Authorized Share Capital</p> |
| 10. | Reduction of capital | <p>The Company may (subject to the provisions of sections 52, 55, 66, both inclusive, and other applicable provisions, if any, of the Act) from time to time by Special Resolution reduce</p> <p>(a) the share capital;</p> <p>(b) any capital redemption reserve account; or</p> <p>(c) any security premium account</p> <p>In any manner for the time being, authorized by law and in particular capital may be paid off on the footing that it may be called up again or otherwise. This Article is not to derogate from any power the Company would have, if it were omitted.</p> |
| 11. | Debentures | <p>Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise. Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in the General Meeting by a Special Resolution.</p> |
| 12. | Issue of Sweat Equity Shares | <p>The Company may exercise the powers of issuing sweat equity shares conferred by Section 54 of the Act of a class of shares already issued subject to such conditions as may be specified in that sections and rules framed thereunder.</p> |
| 13. | ESOP | <p>The Company may issue shares to Employees including its Directors other than independent directors and such other persons as the rules may allow, under Employee Stock Option Scheme (ESOP) or any other scheme, if authorized by a Special Resolution of the Company in general meeting subject to the provisions of the Act, the Rules and applicable guidelines made there under, by whatever name called.</p> |
| 14. | Buy Back of shares | <p>Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities.</p> |
| 15. | Consolidation, Sub-Division and Cancellation | <p>Subject to the provisions of Section 61 of the Act, the Company in general meeting may, from time to time, sub-divide or consolidate all or any of the share capital into shares of larger amount than its existing share or sub-divide its shares, or any of them into shares of smaller amount than is fixed by the Memorandum; subject nevertheless, to the provisions of clause (d) of sub-section (1) of Section 61; Subject as aforesaid the Company in general meeting may also cancel shares which have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.</p> |
| 16. | Issue of Depository Receipts | <p>Subject to compliance with applicable provision of the Act and rules framed thereunder the company shall have power to issue depository receipts in any foreign country.</p> |
| 17. | Issue of Securities | <p>Subject to compliance with applicable provision of the Act and rules framed thereunder the company shall have power to issue any kind of securities as permitted to be issued under the Act and rules framed thereunder.</p> |
| MODIFICATION OF CLASS RIGHTS | | |
| 18. | Modification of rights | <p>(a) If at any time the share capital, by reason of the issue of Preference Shares or otherwise is divided into different classes of shares, all or any of the rights privileges attached to any class (unless otherwise provided by the terms of issue of the shares of the class) may, subject to the provisions of Section 48 of the Act and whether or not the Company is being wound-up, be varied, modified or dealt, with the consent in writing of the holders of not less than three-fourths of the issued shares of that class or with the sanction of a Special Resolution passed at a separate general meeting of the holders of the shares of that class. The provisions</p> |

| Article No. | Articles | Particulars |
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| | | of these Articles relating to general meetings shall mutatis mutandis apply to every such separate class of meeting. Provided that if variation by one class of shareholders affects the rights of any other class of shareholders, the consent of three-fourths of such other class of shareholders shall also be obtained and the provisions of this section shall apply to such variation. |
| | New Issue of Shares not to affect rights attached to existing shares of that class. | (b) The rights conferred upon the holders of the Shares including Preference Share, if any) of any class issued with preferred or other rights or privileges shall, unless otherwise expressly provided by the terms of the issue of shares of that class, be deemed not to be modified, commuted, affected, abrogated, dealt with or varied by the creation or issue of further shares ranking <i>pari passu</i> therewith. |
| 19. | Shares at the disposal of the Directors. | Subject to the provisions of Section 62 of the Act and these Articles, the shares in the capital of the company for the time being shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit and with the sanction of the company in the General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot shares in the capital of the company on payment in full or part of any property sold and transferred or for any services rendered to the company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares. |
| 20. | Power to issue shares on preferential basis. | The Company may issue shares or other securities in any manner whatsoever including by way of a preferential offer, to any persons whether or not those persons include the persons referred to in clause (a) or clause (b) of sub-section (1) of section 62 subject to compliance with section 42 and 62 of the Act and rules framed thereunder. |
| 21. | Shares should be Numbered progressively and no share to be subdivided. | The shares in the capital shall be numbered progressively according to their several denominations, and except in the manner hereinbefore mentioned no share shall be sub-divided. Every forfeited or surrendered share shall continue to bear the number by which the same was originally distinguished. |
| 22. | Acceptance of Shares. | An application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any shares therein, shall be an acceptance of shares within the meaning of these Articles, and every person who thus or otherwise accepts any shares and whose name is on the Register shall for the purposes of these Articles, be a Member. |
| 23. | Directors may allot shares as full paid-up | Subject to the provisions of the Act and these Articles, the Directors may allot and issue shares in the Capital of the Company as payment or part payment for any property (including goodwill of any business) sold or transferred, goods or machinery supplied or for services rendered to the Company either in or about the formation or promotion of the Company or the conduct of its business and any shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than in cash, and if so issued, shall be deemed to be fully paid-up or partly paid-up shares as aforesaid. |
| 24. | Deposit and call etc. to be a debt payable immediately. | The money (if any) which the Board shall on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any shares allotted by them shall become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him, accordingly. |
| 25. | Liability of Members. | Every Member, or his heirs, executors, administrators, or legal representatives, shall pay to the Company the portion of the Capital represented by his share or shares which may, for the time being, remain unpaid thereon, in such amounts at such time or times, and in such manner as the Board shall, from time to time in accordance with the Company's regulations, require on date fixed for the payment thereof. |
| 26. | Registration of Shares. | Shares may be registered in the name of any limited company or other corporate body but not in the name of a firm, an insolvent person or a person of unsound mind. |
| RETURN ON ALLOTMENTS TO BE MADE OR RESTRICTIONS ON ALLOTMENT | | |
| 27. | | The Board shall observe the restrictions as regards allotment of shares to the public, and as regards return on allotments contained in Sections 39 of the Act. |
| CERTIFICATES | | |

| Article No. | Articles | Particulars |
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| 28. | Share Certificates. | <p>(a) Every member shall be entitled, without payment, to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as provided in the relevant laws) to several certificates, each for one or more of such shares and the company shall complete and have ready for delivery such certificates within two months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within one month of the receipt of application for registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares as the case may be. Every certificate of shares shall be under the seal of the company and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the directors may prescribe or approve, provided that in respect of a share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate and delivery of a certificate of shares to one of several joint holders shall be sufficient delivery to all such holder. Such certificate shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of its letter of allotment or its fractional coupons of requisite value, save in cases of issues against letter of acceptance or of renunciation or in cases of issue of bonus shares. Every such certificate shall be issued under the seal of the Company, which shall be affixed in the presence of two Directors or persons acting on behalf of the Directors under a duly registered power of attorney and the Secretary or some other person appointed by the Board for the purpose and two Directors or their attorneys and the Secretary or other person shall sign the share certificate, provided that if the composition of the Board permits of it, at least one of the aforesaid two Directors shall be a person other than a Managing or whole-time Director. Particulars of every share certificate issued shall be entered in the Register of Members against the name of the person, to whom it has been issued, indicating the date of issue.</p> <p>(b) Any two or more joint allottees of shares shall, for the purpose of this Article, be treated as a single member, and the certificate of any shares which may be the subject of joint ownership, may be delivered to anyone of such joint owners on behalf of all of them. For any further certificate the Board shall be entitled, but shall not be bound, to prescribe a charge not exceeding Rupees Fifty. The Company shall comply with the provisions of Section 39 of the Act.</p> <p>(c) A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography, but not by means of a rubber stamp provided that the Director shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.</p> |
| 29. | Issue of new certificates in place of those defaced, lost or destroyed. | <p>If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new Certificate may be issued in lieu thereof, and if any certificate lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, being given, a new Certificate in lieu thereof shall be given to the party entitled to such lost or destroyed Certificate. Every Certificate under the Article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rs.50/- for each certificate) as the Directors shall prescribe. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.</p> <p>Provided that notwithstanding what is stated above the Directors shall comply with such Rules or Regulation or requirements of any Stock Exchange or the Rules made under the Act or the rules made under Securities Contracts (Regulation) Act, 1956, or any other Act, or rules applicable in this behalf.</p> <p>The provisions of this Article shall mutatis mutandis apply to debentures of the Company.</p> |
| 30. | The first named joint holder deemed Sole holder. | <p>(a) If any share stands in the names of two or more persons, the person first named in the Register shall as regard receipts of dividends or bonus or service of notices and all or any other matter connected with the Company except voting at meetings, and the transfer of the shares, be deemed sole holder thereof but the joint-holders of a share shall be severally as well as jointly liable for the payment of all calls</p> |

| Article No. | Articles | Particulars |
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| | | and other payments due in respect of such share and for all incidentals thereof according to the Company's regulations. |
| | Maximum number of joint holders. | (b) The Company shall not be bound to register more than three persons as the joint holders of any share. |
| 31. | Company not bound to recognise any interest in share other than that of registered holders. | Except as ordered by a Court of competent jurisdiction or as by law required, the Company shall not be bound to recognise any equitable, contingent, future or partial interest in any share, or (except only as is by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto, in accordance with these Articles, in the person from time to time registered as the holder thereof but the Board shall be at liberty at its sole discretion to register any share in the joint names of any two or more persons or the survivor or survivors of them. |
| 32. | Installment on shares to be duly paid. | If by the conditions of allotment of any share the whole or part of the amount or issue price thereof shall be payable by installment, every such installment shall when due be paid to the Company by the person who for the time being and from time to time shall be the registered holder of the share or his legal representative. |
| UNDERWRITING AND BROKERAGE | | |
| 33. | Commission | Subject to the provisions of Section 40 (6) of the Act, the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing, to subscribe (whether absolutely or conditionally) for any shares or debentures in the Company, or procuring, or agreeing to procure subscriptions (whether absolutely or conditionally) for any shares or debentures in the Company but so that the commission shall not exceed the maximum rates laid down by the Act and the rules made in that regard. Such commission may be satisfied by payment of cash or by allotment of fully or partly paid shares or partly in one way and partly in the other. |
| 34. | Brokerage | The Company may pay on any issue of shares and debentures such brokerage as may be reasonable and lawful. |
| CALLS | | |
| 35. | Directors may make calls | (1) The Board may, from time to time, subject to the terms on which any shares may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board and not by a circular resolution, make such calls as it thinks fit, upon the Members in respect of all the moneys unpaid on the shares held by them respectively and each Member shall pay the amount of every call so made on him to the persons and at the time and places appointed by the Board. (2) A call may be revoked or postponed at the discretion of the Board. (3) A call may be made payable by installments. |
| 36. | Notice of Calls | Fifteen days' notice in writing of any call shall be given by the Company specifying the time and place of payment, and the person or persons to whom such call shall be paid. |
| 37. | Calls to date from resolution. | A call shall be deemed to have been made at the time when the resolution of the Board of Directors authorising such call was passed and may be made payable by the members whose names appear on the Register of Members on such date or at the discretion of the Directors on such subsequent date as may be fixed by Directors. |
| 38. | Calls on uniform basis. | Whenever any calls for further share capital are made on shares, such calls shall be made on uniform basis on all shares falling under the same class. For the purposes of this Article shares of the same nominal value of which different amounts have been paid up shall not be deemed to fall under the same class. |
| 39. | Directors may extend time. | The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call and may extend such time as to all or any of the members who on account of the residence at a distance or other cause, which the Board may deem fairly entitled to such extension, but no member shall be entitled to such extension save as a matter of grace and favour. |
| 40. | Calls to carry interest. | If any Member fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board not exceeding 21% per annum but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such member. |

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| 41. | Sums deemed to be calls. | If by the terms of issue of any share or otherwise any amount is made payable at any fixed time or by installments at fixed time (whether on account of the amount of the share or by way of premium) every such amount or installment shall be payable as if it were a call duly made by the Directors and of which due notice has been given and all the provisions herein contained in respect of calls shall apply to such amount or installment accordingly. |
| 42. | Proof on trial of suit for money due on shares. | On the trial or hearing of any action or suit brought by the Company against any Member or his representatives for the recovery of any money claimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of the Member in respect of whose shares the money is sought to be recovered, appears entered on the Register of Members as the holder, at or subsequent to the date at which the money is sought to be recovered is alleged to have become due on the share in respect of which such money is sought to be recovered in the Minute Books: and that notice of such call was duly given to the Member or his representatives used in pursuance of these Articles: and that it shall not be necessary to prove the appointment of the Directors who made such call, nor that a quorum of Directors was present at the Board at which any call was made was duly convened or constituted nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt. |
| 43. | Judgment, decree, partial payment motto proceed for forfeiture. | Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereunder nor the receipt by the Company of a portion of any money which shall from time to time be due from any Member of the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money, shall preclude the Company from thereafter proceeding to enforce forfeiture of such shares as hereinafter provided. |
| 44. | Payments in Anticipation of calls may carry interest | <p>(a) The Board may, if it thinks fit, receive from any Member willing to advance the same, all or any part of the amounts of his respective shares beyond the sums, actually called up and upon the moneys so paid in advance, or upon so much thereof, from time to time, and at any time thereafter as exceeds the amount of the calls then made upon and due in respect of the shares on account of which such advances are made the Board may pay or allow interest, at such rate as the member paying the sum in advance and the Board agree upon. The Board may agree to repay at any time any amount so advanced or may at any time repay the same upon giving to the Member three months' notice in writing: provided that moneys paid in advance of calls on shares may carry interest but shall not confer a right to dividend</p> <p>(b) or to participate in profits.</p> <p>(b) No Member paying any such sum in advance shall be entitled to voting rights in respect of the moneys so paid by him until the same would but for such payment become presently payable. The provisions of this Article shall mutatis mutandis apply to calls on debentures issued by the Company.</p> |
| LIEN | | |
| 45. | Company to have Lien on shares. | The Company shall have a first and paramount lien upon all the shares/debentures (other than fully paid-up shares/debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares/debentures and no equitable interest in any share shall be created except upon the footing and condition that this Article will have full effect. And such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares/debentures. Unless otherwise agreed the registration of a transfer of shares/debentures shall operate as a waiver of the Company's lien if any, on such shares/debentures. The Directors may at any time declare any shares/debentures wholly or in part to be exempt from the provisions of this clause. |
| 46. | As to enforcing lien by sale. | For the purpose of enforcing such lien the Directors may sell the shares subject thereto in such manner as they shall think fit, but no sale shall be made until such period as aforesaid shall have arrived and until notice in writing of the intention to sell shall have been served on such member or the person (if any) entitled by transmission to the shares and default shall have been made by him in payment, fulfillment of discharge of such debts, liabilities or engagements for seven days after such notice. To give effect to any such sale the Board may authorise some |

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| | | person to transfer the shares sold to the purchaser thereof and purchaser shall be registered as the holder of the shares comprised in any such transfer. Upon any such sale as the Certificates in respect of the shares sold shall stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a new Certificate or Certificates in lieu thereof to the purchaser or purchasers concerned. |
| 47. | Application of proceeds of sale. | The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall (subject to lien for sums not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares at the date of the sale. |
| FORFEITURE AND SURRENDER OF SHARES | | |
| 48. | If call or installment not paid, notice may be given. | If any Member fails to pay the whole or any part of any call or installment or any moneys due in respect of any shares either by way of principal or interest on or before the day appointed for the payment of the same, the Directors may, at any time thereafter, during such time as the call or installment or any part thereof or other moneys as aforesaid remains unpaid or a judgment or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on such Member or on the person (if any) entitled to the shares by transmission, requiring him to pay such call or installment of such part thereof or other moneys as remain unpaid together with any interest that may have accrued and all reasonable expenses (legal or otherwise) that may have been accrued by the Company by reason of such non-payment. Provided that no such shares shall be forfeited if any moneys shall remain unpaid in respect of any call or installment or any part thereof as aforesaid by reason of the delay occasioned in payment due to the necessity of complying with the provisions contained in the relevant exchange control laws or other applicable laws of India, for the time being in force. |
| 49. | Terms of notice. | The notice shall name a day (not being less than fourteen days from the date of notice) and a place or places on and at which such call or installment and such interest thereon as the Directors shall determine from the day on which such call or installment ought to have been paid and expenses as aforesaid are to be paid. The notice shall also state that, in the event of the non-payment at or before the time and at the place or places appointed, the shares in respect of which the call was made or installment is payable will be liable to be forfeited. |
| 50. | On default of payment, shares to be forfeited. | If the requirements of any such notice as aforesaid shall not be complied with, every or any share in respect of which such notice has been given, may at any time thereafter but before payment of all calls or installments, interest and expenses, due in respect thereof, be forfeited by resolution of the Board to that effect. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited share and not actually paid before the forfeiture. |
| 51. | Notice of forfeiture to a Member | When any shares have been forfeited, notice of the forfeiture shall be given to the member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof shall forthwith be made in the Register of Members. |
| 52. | Forfeited shares to be property of the Company and may be sold etc. | Any shares so forfeited, shall be deemed to be the property of the Company and may be sold, re-allotted, or otherwise disposed of, either to the original holder thereof or to any other person, upon such terms and in such manner as the Board in their absolute discretion shall think fit. |
| 53. | Members still liable to pay money owing at time of forfeiture and interest. | Any Member whose shares have been forfeited shall notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company, on demand all calls, installments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture, together with interest thereon from the time of the forfeiture until payment, at such rate as the Board may determine and the Board may enforce the payment of the whole or a portion thereof as if it were a new call made at the date of the forfeiture, but shall not be under any obligation to do so. |
| 54. | Effect of forfeiture. | The forfeiture shares shall involve extinction at the time of the forfeiture, of all interest in all claims and demand against the Company, in respect of the share and all other rights incidental to the share, except only such of those rights as by these Articles are expressly saved. |
| 55. | Evidence of Forfeiture. | A declaration in writing that the declarant is a Director or Secretary of the Company and that shares in the Company have been duly forfeited in accordance with these articles on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the shares. |

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| 56. | Title of purchaser and allottee of Forfeited shares. | The Company may receive the consideration, if any, given for the share on any sale, re-allotment or other disposition thereof and the person to whom such share is sold, re-allotted or disposed of may be registered as the holder of the share and he shall not be bound to see to the application of the consideration: if any, nor shall his title to the share be affected by any irregularly or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or other disposal of the shares. |
| 57. | Cancellation of share certificate in respect of forfeited shares. | Upon any sale, re-allotment or other disposal under the provisions of the preceding Article, the certificate or certificates originally issued in respect of the relative shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting member) stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a duplicate certificate or certificates in respect of the said shares to the person or persons entitled thereto. |
| 58. | Forfeiture may be remitted. | In the meantime and until any share so forfeited shall be sold, re-allotted, or otherwise dealt with as aforesaid, the forfeiture thereof may, at the discretion and by a resolution of the Directors, be remitted as a matter of grace and favour, and not as was owing thereon to the Company at the time of forfeiture being declared with interest for the same unto the time of the actual payment thereof if the Directors shall think fit to receive the same, or on any other terms which the Director may deem reasonable. |
| 59. | Validity of sale | Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board may appoint some person to execute an instrument of transfer of the Shares sold and cause the purchaser's name to be entered in the Register of Members in respect of the Shares sold, and the purchasers shall not be bound to see to the regularity of the proceedings or to the application of the purchase money, and after his name has been entered in the Register of Members in respect of such Shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively. |
| 60. | Surrender of shares. | The Directors may, subject to the provisions of the Act, accept a surrender of any share from or by any Member desirous of surrendering on such terms the Directors may think fit. |
| TRANSFER AND TRANSMISSION OF SHARES | | |
| 61. | Execution of the instrument of shares. | (a) The instrument of transfer of any share in or debenture of the Company shall be executed by or on behalf of both the transferor and transferee. (b) The transferor shall be deemed to remain a holder of the share or debenture until the name of the transferee is entered in the Register of Members or Register of Debenture holders in respect thereof. |
| 62. | Transfer Form. | The instrument of transfer of any share or debenture shall be in writing and all the provisions of Section 56 and statutory modification thereof including other applicable provisions of the Act shall be duly complied with in respect of all transfers of shares or debenture and registration thereof. The instrument of transfer shall be in a common form approved by the Exchange; |
| 63. | Transfer not to be registered except on production of instrument of transfer. | The Company shall not register a transfer in the Company other than the transfer between persons both of whose names are entered as holders of beneficial interest in the records of a depository, unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee and specifying the name, address and occupation if any, of the transferee, has been delivered to the Company along with the certificate relating to the shares or if no such share certificate is in existence along with the letter of allotment of the shares: Provided that where, on an application in writing made to the Company by the transferee and bearing the stamp, required for an instrument of transfer, it is proved to the satisfaction of the Board of Directors that the instrument of transfer signed by or on behalf of the transferor and by or on behalf of the transferee has been lost, the Company may register the transfer on such terms as to indemnity as the Board may think fit, provided further that nothing in this Article shall prejudice any power of the Company to register as shareholder any person to whom the right to any shares in the Company has been transmitted by operation of law. |
| 64. | Directors may refuse to register transfer. | Subject to the provisions of Section 58 of the Act and Section 22A of the Securities Contracts (Regulation) Act, 1956, the Directors may, decline to register— (a) any transfer of shares on which the company has a lien. That registration of transfer shall however not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever; |

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| 65. | Notice of refusal to be given to transferor and transferee. | If the Company refuses to register the transfer of any share or transmission of any right therein, the Company shall within one month from the date on which the instrument of transfer or intimation of transmission was lodged with the Company, send notice of refusal to the transferee and transferor or to the person giving intimation of the transmission, as the case may be, and there upon the provisions of Section 56 of the Act or any statutory modification thereof for the time being in force shall apply. |
| 66. | No fee on transfer. | No fee shall be charged for registration of transfer, transmission, Probate, Succession Certificate and letter of administration, Certificate of Death or Marriage, Power of Attorney or similar other document with the Company. |
| 67. | Closure of Register of Members or debenture holder or other security holders. | The Board of Directors shall have power on giving not less than seven days pervious notice in accordance with section 91 and rules made thereunder close the Register of Members and/or the Register of debentures holders and/or other security holders at such time or times and for such period or periods, not exceeding thirty days at a time, and not exceeding in the aggregate forty five days at a time, and not exceeding in the aggregate forty five days in each year as it may seem expedient to the Board. |
| 68. | Custody of transfer Deeds. | The instrument of transfer shall after registration be retained by the Company and shall remain in its custody. All instruments of transfer which the Directors may decline to register shall on demand be returned to the persons depositing the same. The Directors may cause to be destroyed all the transfer deeds with the Company after such period as they may determine. |
| 69. | Application for transfer of partly paid shares. | Where an application of transfer relates to partly paid shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the receipt of the notice. |
| 70. | Notice to transferee. | For this purpose the notice to the transferee shall be deemed to have been duly given if it is dispatched by prepaid registered post/speed post/ courier to the transferee at the address given in the instrument of transfer and shall be deemed to have been duly delivered at the time at which it would have been delivered in the ordinary course of post. |
| 71. | Recognition of legal representative. | <p>(a) On the death of a Member, the survivor or survivors, where the Member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only person recognized by the Company as having any title to his interest in the shares.</p> <p>(b) Before recognising any executor or administrator or legal representative, the Board may require him to obtain a Grant of Probate or Letters Administration or other legal representation as the case may be, from some competent court in India. Provided nevertheless that in any case where the Board in its absolute discretion thinks fit, it shall be lawful for the Board to dispense with the production of Probate or letter of Administration or such other legal representation upon such terms as to indemnity or otherwise, as the Board in its absolute discretion, may consider adequate</p> <p>(c) Nothing in clause (a) above shall release the estate of the deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.</p> |
| 72. | Titles of Shares of deceased Member | The Executors or Administrators of a deceased Member or holders of a Succession Certificate or the Legal Representatives in respect of the Shares of a deceased Member (not being one of two or more joint holders) shall be the only persons recognized by the Company as having any title to the Shares registered in the name of such Members, and the Company shall not be bound to recognize such Executors or Administrators or holders of Succession Certificate or the Legal Representative unless such Executors or Administrators or Legal Representative shall have first obtained Probate or Letters of Administration or Succession Certificate as the case may be from a duly constituted Court in the Union of India provided that in any case where the Board of Directors in its absolute discretion thinks fit, the Board upon such terms as to indemnity or otherwise as the Directors may deem proper dispense with production of Probate or Letters of Administration or Succession Certificate and register Shares standing in the name of a deceased Member, as a Member. However, provisions of this Article are subject to Sections 72of the Companies Act. |

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| 73. | Notice of application when to be given | Where, in case of partly paid Shares, an application for registration is made by the transferor, the Company shall give notice of the application to the transferee in accordance with the provisions of Section 56 of the Act. |
| 74. | Registration of persons entitled to share otherwise than by transfer. (transmission clause). | Subject to the provisions of the Act and these Articles, any person becoming entitled to any share in consequence of the death, lunacy, bankruptcy, insolvency of any member or by any lawful means other than by a transfer in accordance with these presents, may, with the consent of the Directors (which they shall not be under any obligation to give) upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of this title as the Director shall require either be registered as member in respect of such shares or elect to have some person nominated by him and approved by the Directors registered as Member in respect of such shares; provided nevertheless that if such person shall elect to have his nominee registered he shall testify his election by executing in favour of his nominee an instrument of transfer in accordance so he shall not be freed from any liability in respect of such shares. This clause is hereinafter referred to as the 'Transmission Clause'. |
| 75. | Refusal to register nominee. | Subject to the provisions of the Act and these Articles, the Directors shall have the same right to refuse or suspend register a person entitled by the transmission to any shares or his nominee as if he were the transferee named in an ordinary transfer presented for registration. |
| 76. | Board may require evidence of transmission. | Every transmission of a share shall be verified in such manner as the Directors may require and the Company may refuse to register any such transmission until the same be so verified or until or unless an indemnity be given to the Company with regard to such registration which the Directors at their discretion shall consider sufficient, provided nevertheless that there shall not be any obligation on the Company or the Directors to accept any indemnity. |
| 77. | Company not liable for disregard of a notice prohibiting registration of transfer. | The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made, or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register or Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the same shares notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice or referred thereto in any book of the Company and the Company shall not be bound or require to regard or attend or give effect to any notice which may be given to them of any equitable right, title or interest, or be under any liability whatsoever for refusing or neglecting so to do though it may have been entered or referred to in some book of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto, if the Directors shall so think fit. |
| 78. | Form of transfer Outside India. | In the case of any share registered in any register maintained outside India the instrument of transfer shall be in a form recognized by the law of the place where the register is maintained but subject thereto shall be as near to the form prescribed in Form no. SH-4 hereof as circumstances permit. |
| 79. | No transfer to insolvent etc. | No transfer shall be made to any minor, insolvent or person of unsound mind. |
| NOMINATION | | |
| 80. | Nomination | <ul style="list-style-type: none"> i) Notwithstanding anything contained in the articles, every holder of securities of the Company may, at any time, nominate a person in whom his/her securities shall vest in the event of his/her death and the provisions of Section 72 of the Companies Act, 2013 shall apply in respect of such nomination. ii) No person shall be recognized by the Company as a nominee unless an intimation of the appointment of the said person as nominee has been given to the Company during the lifetime of the holder(s) of the securities of the Company in the manner specified under Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014 iii) The Company shall not be in any way responsible for transferring the securities consequent upon such nomination. iv) If the holder(s) of the securities survive(s) nominee, then the nomination made by the holder(s) shall be of no effect and shall automatically stand revoked. |
| 81. | Transmission of Securities by nominee | A nominee, upon production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either- |

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| | | <p>(i) to be registered himself as holder of the security, as the case may be; or</p> <p>(ii) to make such transfer of the security, as the case may be, as the deceased security holder, could have made;</p> <p>(iii) if the nominee elects to be registered as holder of the security, himself, as the case may be, he shall deliver or send to the Company, a notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased security holder as the case may be;</p> <p>(iv) a nominee shall be entitled to the same dividends and other advantages to which he would be entitled to, if he were the registered holder of the security except that he shall not, before being registered as a member in respect of his security, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.</p> <p>Provided further that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share or debenture, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable or rights accruing in respect of the share or debenture, until the requirements of the notice have been complied with.</p> |
| DEMATERIALIZATION OF SHARES | | |
| 82. | Dematerialisation of Securities | Subject to the provisions of the Act and Rules made thereunder the Company may offer its members facility to hold securities issued by it in dematerialized form. |
| JOINT HOLDER | | |
| 83. | Joint Holders | Where two or more persons are registered as the holders of any share they shall be deemed to hold the same as joint Shareholders with benefits of survivorship subject to the following and other provisions contained in these Articles. |
| 84. | Joint and several liabilities for all payments in respect of shares. | (a) The Joint holders of any share shall be liable severally as well as jointly for and in respect of all calls and other payments which ought to be made in respect of such share. |
| | Title of survivors. | (b) on the death of any such joint holders the survivor or survivors shall be the only person recognized by the Company as having any title to the share but the Board may require such evidence of death as it may deem fit and nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability of shares held by them jointly with any other person; |
| | Receipts of one sufficient. | (c) Any one of two or more joint holders of a share may give effectual receipts of any dividends or other moneys payable in respect of share; and |
| | Delivery of certificate and giving of notices to first named holders. | (d) only the person whose name stands first in the Register of Members as one of the joint holders of any share shall be entitled to delivery of the certificate relating to such share or to receive documents from the Company and any such document served on or sent to such person shall deemed to be service on all the holders. |
| SHARE WARRANTS | | |
| 85. | Power to issue share warrants | The Company may issue warrants subject to and in accordance with provisions of the Act and accordingly the Board may in its discretion with respect to any Share which is fully paid upon application in writing signed by the persons registered as holder of the Share, and authenticated by such evidence(if any) as the Board may, from time to time, require as to the identity of the persons signing the application and on receiving the certificate (if any) of the Share, and the amount of the stamp duty on the warrant and such fee as the Board may, from time to time, require, issue a share warrant. |
| 86. | Deposit of share warrants | <p>(a) The bearer of a share warrant may at any time deposit the warrant at the Office of the Company, and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for call in a meeting of the Company, and of attending and voting and exercising the other privileges of a Member at any meeting held after the expiry of two clear days from the time of deposit, as if his name were inserted in the Register of Members as the holder of the Share included in the deposit warrant.</p> <p>(b) Not more than one person shall be recognized as depositor of the Share warrant.</p> <p>(c) The Company shall, on two day's written notice, return the deposited share warrant to the depositor.</p> |

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| 87. | Privileges and disabilities of the holders of share warrant | (a) Subject as herein otherwise expressly provided, no person, being a bearer of a share warrant, shall sign a requisition for calling a meeting of the Company or attend or vote or exercise any other privileges of a Member at a meeting of the Company, or be entitled to receive any notice from the Company. (b) The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the Register of Members as the holder of the Share included in the warrant, and he shall be a Member of the Company. |
| 88. | Issue of new share warrant coupons | The Board may, from time to time, make bye-laws as to terms on which (if it shall think fit), a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction. |
| CONVERSION OF SHARES INTO STOCK | | |
| 89. | Conversion of shares into stock or reconversion. | The Company may, by ordinary resolution in General Meeting. a) convert any fully paid-up shares into stock; and b) re-convert any stock into fully paid-up shares of any denomination. |
| 90. | Transfer of stock. | The holders of stock may transfer the same or any part thereof in the same manner as and subject to the same regulation under which the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit, provided that, the Board may, from time to time, fix the minimum amount of stock transferable so however that such minimum shall not exceed the nominal amount of the shares from which the stock arose. |
| 91. | Rights of stock holders. | The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, participation in profits, voting at meetings of the Company, and other matters, as if they hold the shares for which the stock arose but no such privilege or advantage shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage. |
| 92. | Regulations. | Such of the regulations of the Company (other than those relating to share warrants), as are applicable to paid up share shall apply to stock and the words "share" and "shareholders" in those regulations shall include "stock" and "stockholders" respectively. |
| BORROWING POWERS | | |
| 93. | Power to borrow. | Subject to the provisions of the Act and these Articles, the Board may, from time to time at its discretion, by a resolution passed at a meeting of the Board generally raise or borrow money by way of deposits, loans, overdrafts, cash credit or by issue of bonds, debentures or debenture-stock (perpetual or otherwise) or in any other manner, or from any person, firm, company, co-operative society, anybody corporate, bank, institution, whether incorporated in India or abroad, Government or any authority or any other body for the purpose of the Company and may secure the payment of any sums of money so received, raised or borrowed; provided that the total amount borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) shall not without the consent of the Company in General Meeting exceed the aggregate of the paid up capital of the Company and its free reserves that is to say reserves not set apart for any specified purpose. |
| 94. | Issue of discount etc. or with special privileges. | Subject to the provisions of the Act and these Articles, any bonds, debentures, debenture-stock or any other securities may be issued at a discount, premium or otherwise and with any special privileges and conditions as to redemption, surrender, allotment of shares, appointment of Directors or otherwise; provided that debentures with the right to allotment of or conversion into shares shall not be issued except with the sanction of the Company in General Meeting. |
| 95. | Securing payment or repayment of Moneys borrowed. | The payment and/or repayment of moneys borrowed or raised as aforesaid or any moneys owing otherwise or debts due from the Company may be secured in such manner and upon such terms and conditions in all respects as the Board may think fit, and in particular by mortgage, charge, lien or any other security upon all or any of the assets or property (both present and future) or the undertaking of the Company including its uncalled capital for the time being, or by a guarantee by any Director, Government or third party, and the bonds, debentures and debenture stocks and other securities may be made assignable, free from equities between the Company and the person to whom the same may be issued and also by a similar mortgage, charge or lien to secure and guarantee, the performance by the Company or any other person or company of any obligation undertaken by the Company or any person or Company as the case may be. |

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| 96. | Bonds, Debentures etc. to be under the control of the Directors. | Any bonds, debentures, debenture-stock or their securities issued or to be issued by the Company shall be under the control of the Board who may issue them upon such terms and conditions, and in such manner and for such consideration as they shall consider to be for the benefit of the Company. |
| 97. | Mortgage of uncalled Capital. | If any uncalled capital of the Company is included in or charged by any mortgage or other security the Directors shall subject to the provisions of the Act and these Articles make calls on the members in respect of such uncalled capital in trust for the person in whose favour such mortgage or security is executed. |
| 98. | Indemnity may be given. | Subject to the provisions of the Act and these Articles if the Directors or any of them or any other person shall incur or be about to incur any liability whether as principal or surety for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or person so becoming liable as aforesaid from any loss in respect of such liability. |
| MEETINGS OF MEMBERS | | |
| 99. | Distinction between AGM & EGM. | All the General Meetings of the Company other than Annual General Meetings shall be called Extra-ordinary General Meetings. |
| 100. | Extra-Ordinary General Meeting by Board and by requisition | (a) The Directors may, whenever they think fit, convene an Extra-Ordinary General Meeting and they shall on requisition of requisition of Members made in compliance with Section 100 of the Act, forthwith proceed to convene Extra-Ordinary General Meeting of the members |
| | When a Director or any two Members may call an Extra Ordinary General Meeting | (b) If at any time there are not within India sufficient Directors capable of acting to form a quorum, or if the number of Directors be reduced in number to less than the minimum number of Directors prescribed by these Articles and the continuing Directors fail or neglect to increase the number of Directors to that number or to convene a General Meeting, any Director or any two or more Members of the Company holding not less than one-tenth of the total paid up share capital of the Company may call for an Extra-Ordinary General Meeting in the same manner as nearly as possible as that in which meeting may be called by the Directors. |
| 101. | Meeting not to transact business not mentioned in notice. | No General Meeting, Annual or Extraordinary shall be competent to enter upon, discuss or transfer any business which has not been mentioned in the notice or notices upon which it was convened. |
| 102. | Chairman of General Meeting | The Chairman (if any) of the Board of Directors shall be entitled to take the chair at every General Meeting, whether Annual or Extraordinary. If there is no such Chairman of the Board of Directors, or if at any meeting he is not present within fifteen minutes of the time appointed for holding such meeting or if he is unable or unwilling to take the chair, then the Vice Chairman of the Company so shall take the chair and preside the meeting. In the absence of the Vice Chairman as well, the Directors present may choose one of the Directors among themselves to preside the meeting. |
| 103. | Business confined to election of Chairman or Vice Chairman whilst chair is vacant. | No business, except the election of a Chairman or Vice Chairman, shall be discussed at any General Meeting whilst the Chair is vacant. |
| 104. | Chairman with consent may adjourn meeting. | a) The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place. b) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. c) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. d) Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting. |
| 105. | Chairman's casting vote. | In the case of an equality of votes the Chairman shall both on a show of hands, on a poll (if any) and e-voting, have casting vote in addition to the vote or votes to which he may be entitled as a Member. |
| 106. | In what case poll taken without adjournment. | Any poll duly demanded on the election of Chairman or Vice Chairman of the meeting or any question of adjournment shall be taken at the meeting forthwith. |
| 107. | Demand for poll not to prevent transaction of other business. | The demand for a poll except on the question of the election of the Chairman or Vice Chairman and of an adjournment shall not prevent the continuance of a |

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| | | meeting for the transaction of any business other than the question on which the poll has been demanded. |
| VOTES OF MEMBERS | | |
| 108. | Members in arrears not to vote. | No Member shall be entitled to vote either personally or by proxy at any General Meeting or Meeting of a class of shareholders either upon a show of hands, upon a poll or electronically, or be reckoned in a quorum in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has exercised, any right or lien. |
| 109. | Number of votes each member entitled. | Subject to the provision of these Articles and without prejudice to any special privileges, or restrictions as to voting for the time being attached to any class of shares for the time being forming part of the capital of the company, every Member, not disqualified by the last preceding Article shall be entitled to be present, and to speak and to vote at such meeting, and on a show of hands every member present in person shall have one vote and upon a poll the voting right of every Member present in person or by proxy shall be in proportion to his share of the paid-up equity share capital of the Company, Provided, however, if any preference shareholder is present at any meeting of the Company, save as provided in sub-section (2) of Section 47 of the Act, he shall have a right to vote only on resolution placed before the meeting which directly affect the rights attached to his preference shares. |
| 110. | Casting of votes by a member entitled to more than one vote. | On a poll taken at a meeting of the Company a member entitled to more than one vote or his proxy or other person entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses. |
| 111. | Vote of member of unsound mind and of minor | A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, or a minor may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy. |
| 112. | Postal Ballot | Notwithstanding anything contained in the provisions of the Companies Act, 2013, and the Rules made there under, the Company may, and in the case of resolutions relating to such business as may be prescribed by such authorities from time to time, declare to be conducted only by postal ballot, shall, get any such business/ resolutions passed by means of postal ballot, instead of transacting the business in the General Meeting of the Company. |
| 113. | E-Voting | A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once. |
| 114. | Votes of joint members. | a) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. If more than one of the said persons remain present than the senior shall alone be entitled to speak and to vote in respect of such shares, but the other or others of the joint holders shall be entitled to be present at the meeting. Several executors or administrators of a deceased Member in whose name share stands shall for the purpose of these Articles be deemed joint holders thereof. b) For this purpose, seniority shall be determined by the order in which the names stand in the register of members. |
| 115. | Votes may be given by proxy or by representative | Votes may be given either personally or by attorney or by proxy or in case of a company, by a representative duly Authorised as mentioned in Articles |
| 116. | Representation of a body corporate. | A body corporate (whether a company within the meaning of the Act or not) may, if it is member or creditor of the Company (including being a holder of debentures) authorise such person by resolution of its Board of Directors, as it thinks fit, in accordance with the provisions of Section 113 of the Act to act as its representative at any Meeting of the members or creditors of the Company or debentures holders of the Company. A person authorised by resolution as aforesaid shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate as if it were an individual member, creditor or holder of debentures of the Company. |
| 117. | Members paying money in advance. | (a) A member paying the whole or a part of the amount remaining unpaid on any share held by him although no part of that amount has been called up, shall not be entitled to any voting rights in respect of the moneys paid until the same would, but for this payment, become presently payable. |

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| | Members not prohibited if share not held for any specified period. | (b) A member is not prohibited from exercising his voting rights on the ground that he has not held his shares or interest in the Company for any specified period preceding the date on which the vote was taken. |
| 118. | Votes in respect of shares of deceased or insolvent members. | Any person entitled under Article 73 (transmission clause) to transfer any share may vote at any General Meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that at least forty-eight hours before the time of holding the meeting or adjourned meeting, as the case may be at which he proposes to vote he shall satisfy the Directors of his right to transfer such shares and give such indemnify (if any) as the Directors may require or the directors shall have previously admitted his right to vote at such meeting in respect thereof. |
| 119. | No votes by proxy on show of hands. | No Member shall be entitled to vote on a show of hands unless such member is present personally or by attorney or is a body Corporate present by a representative duly Authorised under the provisions of the Act in which case such members, attorney or representative may vote on a show of hands as if he were a Member of the Company. In the case of a Body Corporate the production at the meeting of a copy of such resolution duly signed by a Director or Secretary of such Body Corporate and certified by him as being a true copy of the resolution shall be accepted by the Company as sufficient evidence of the authority of the appointment. |
| 120. | Appointment of a Proxy. | The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid. |
| 121. | Form of proxy. | An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105. |
| 122. | Validity of votes given by proxy notwithstanding death of a member. | A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the Member, or revocation of the proxy or of any power of attorney which such proxy signed, or the transfer of the share in respect of which the vote is given, provided that no intimation in writing of the death or insanity, revocation or transfer shall have been received at the office before the meeting or adjourned meeting at which the proxy is used. |
| 123. | Time for objections to votes. | No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. |
| 124. | Chairperson of the Meeting to be the judge of validity of any vote. | Any such objection raised to the qualification of any voter in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive. |
| DIRECTORS | | |
| 125. | Number of Directors | Until otherwise determined by a General Meeting of the Company and subject to the provisions of Section 149 of the Act, the number of Directors (including Debenture and Alternate Directors) shall not be less than three and not more than fifteen. Provided that a company may appoint more than fifteen directors after passing a special resolution. First directors of the company are:- 1. Raghav Somani 2. Rohit Somani |
| 126. | Qualification shares. | A Director of the Company shall not be bound to hold any Qualification Shares in the Company. |
| 127. | Nominee Directors. | (a) Subject to the provisions of the Companies Act, 2013 and notwithstanding anything to the contrary contained in these Articles, the Board may appoint any person as a director nominated by any institution in pursuance of the provisions of any law for the time being in force or of any agreement (b) The Nominee Director/s so appointed shall not be required to hold any qualification shares in the Company nor shall be liable to retire by rotation. The Board of Directors of the Company shall have no power to remove from office the Nominee Director/s so appointed. The said Nominee Director/s shall be entitled to the same rights and privileges including receiving of notices, copies of the minutes, sitting fees, etc. as any other Director of the Company is entitled. |

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| | | <p>(c) If the Nominee Director/s is an officer of any of the financial institution the sitting fees in relation to such nominee Directors shall accrue to such financial institution and the same accordingly be paid by the Company to them. The Financial Institution shall be entitled to depute observer to attend the meetings of the Board or any other Committee constituted by the Board.</p> <p>(d) The Nominee Director/s shall, notwithstanding anything to the Contrary contained in these Articles, be at liberty to disclose any information obtained by him/them to the Financial Institution appointing him/them as such Director/s.</p> |
| 128. | Appointment of alternate Director. | The Board may appoint an Alternate Director to act for a Director (hereinafter called "The Original Director") during his absence for a period of not less than three months from India. An Alternate Director appointed under this Article shall not hold office for period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate office if and when the Original Director returns to India. If the term of Office of the Original Director is determined before he so returns to India, any provision in the Act or in these Articles for the automatic re-appointment of retiring Director in default of another appointment shall apply to the Original Director and not to the Alternate Director. |
| 129. | Additional Director | Subject to the provisions of the Act, the Board shall have power at any time and from time to time to appoint any other person to be an Additional Director. Any such Additional Director shall hold office only upto the date of the next Annual General Meeting. |
| 130. | Directors power to fill casual vacancies. | Subject to the provisions of the Act, the Board shall have power at any time and from time to time to appoint a Director, if the office of any director appointed by the company in general meeting is vacated before his term of office expires in the normal course, who shall hold office only upto the date upto which the Director in whose place he is appointed would have held office if it had not been vacated by him. |
| 131. | Sitting Fees. | Until otherwise determined by the Company in General Meeting, each Director other than the Managing/Whole-time Director (unless otherwise specifically provided for) shall be entitled to sitting fees not exceeding a sum prescribed in the Act (as may be amended from time to time) for attending meetings of the Board or Committees thereof. |
| 132. | Travelling expenses Incurred by Director on Company's business. | The Board of Directors may subject to the limitations provided in the Act allow and pay to any Director who attends a meeting at a place other than his usual place of residence for the purpose of attending a meeting, such sum as the Board may consider fair, compensation for travelling, hotel and other incidental expenses properly incurred by him, in addition to his fee for attending such meeting as above specified. |
| PROCEEDING OF THE BOARD OF DIRECTORS | | |
| 133. | Meetings of Directors. | <p>(a) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings as it thinks fit.</p> <p>(b) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.</p> |
| 134. | Chairman and Vice Chairman | <p>a) The Directors may from time to time elect from among their members a Chairperson of the Board as well as a Vice Chairman of the Board and determine the period for which he is to hold office. If at any meeting of the Board, the Chairman is not present within five minutes after the time appointed for holding the same, to the Vice Chairman shall preside at the meeting and in the absence of the Vice Chairman as well, the Directors present may choose one of the Directors among themselves to preside the meeting.</p> <p>b) Subject to Section 203 of the Act and rules made there under, one person can act as the Chairman as well as the Managing Director or Chief Executive Officer at the same time.</p> |
| 135. | Questions at Board meeting how decided. | Questions arising at any meeting of the Board of Directors shall be decided by a majority of votes and in the case of an equality of votes, the Chairman or the Vice Chairman, as the case may be will have a second or casting vote. |
| 136. | Continuing directors may act notwithstanding any vacancy in the Board | The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the company, but for no other purpose. |

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| 137. | Directors may appoint committee. | Subject to the provisions of the Act, the Board may delegate any of their powers to a Committee consisting of such member or members of its body as it thinks fit, and it may from time to time revoke and discharge any such committee either wholly or in part and either as to person, or purposes, but every Committee so formed shall in the exercise of the powers so delegated conform to any regulations that may from time to time be imposed on it by the Board. All acts done by any such Committee in conformity with such regulations and in fulfillment of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board. |
| 138. | Committee Meetings how to be governed. | The Meetings and proceedings of any such Committee of the Board consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors so far as the same are applicable thereto and are not superseded by any regulations made by the Directors under the last preceding Article. |
| 139. | Chairperson of Committee Meetings | a) A committee may elect a Chairperson of its meetings. b) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting. |
| 140. | Meetings of the Committee | a) A committee may meet and adjourn as it thinks fit. b) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote. |
| 141. | Acts of Board or Committee shall be valid notwithstanding defect in appointment. | Subject to the provisions of the Act, all acts done by any meeting of the Board or by a Committee of the Board, or by any person acting as a Director shall notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such Director or persons acting as aforesaid, or that they or any of them were disqualified or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had been duly appointed, and was qualified to be a Director. |
| RETIREMENT AND ROTATION OF DIRECTORS | | |
| 142. | Power to fill casual vacancy | Subject to the provisions of Section 161 of the Act, if the office of any Director appointed by the Company in General Meeting vacated before his term of office will expire in the normal course, the resulting casual vacancy may in default of and subject to any regulation in the Articles of the Company be filled by the Board of Directors at the meeting of the Board and the Director so appointed shall hold office only up to the date up to which the Director in whose place he is appointed would have held office if had not been vacated as aforesaid. |
| POWERS OF THE BOARD | | |
| 143. | Powers of the Board | The business of the Company shall be managed by the Board who may exercise all such powers of the Company and do all such acts and things as may be necessary, unless otherwise restricted by the Act, or by any other law or by the Memorandum or by the Articles required to be exercised by the Company in General Meeting. However no regulation made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made. |
| 144. | Certain powers of the Board | Without prejudice to the general powers conferred by the Articles and so as not in any way to limit or restrict these powers, and without prejudice to the other powers conferred by these Articles, but subject to the restrictions contained in the Articles, it is hereby, declared that the Directors shall have the following powers, that is to say |
| | To acquire any property , rights etc. | (1) Subject to the provisions of the Act, to purchase or otherwise acquire any lands, buildings, machinery, premises, property, effects, assets, rights, creditors, royalties, business and goodwill of any person firm or company carrying on the business which this Company is authorised to carry on, in any part of India. |
| | To take on Lease. | (2) Subject to the provisions of the Act to purchase, take on lease for any term or terms of years, or otherwise acquire any land or lands, with or without buildings and out-houses thereon, situate in any part of India, at such conditions as the Directors may think fit, and in any such purchase, lease or acquisition to accept such title as the Directors may believe, or may be advised to be reasonably satisfy. |

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| | To erect & construct. | (3) To erect and construct, on the said land or lands, buildings, houses, warehouses and sheds and to alter, extend and improve the same, to let or lease the property of the company, in part or in whole for such rent and subject to such conditions, as may be thought advisable; to sell such portions of the land or buildings of the Company as may not be required for the company; to mortgage the whole or any portion of the property of the company for the purposes of the Company; to sell all or any portion of the machinery or stores belonging to the Company. |
| | To pay for property. | (4) At their discretion and subject to the provisions of the Act, the Directors may pay property rights or privileges acquired by, or services rendered to the Company, either wholly or partially in cash or in shares, bonds, debentures or other securities of the Company, and any such share may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon; and any such bonds, debentures or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged. |
| | To insure properties of the Company. | (5) To insure and keep insured against loss or damage by fire or otherwise for such period and to such extent as they may think proper all or any part of the buildings, machinery, goods, stores, produce and other moveable property of the Company either separately or co-jointly; also to insure all or any portion of the goods, produce, machinery and other articles imported or exported by the Company and to sell, assign, surrender or discontinue any policies of assurance effected in pursuance of this power. |
| | To open Bank accounts. | (6) To open accounts with any Bank or Bankers and to pay money into and draw money from any such account from time to time as the Directors may think fit. |
| | To secure contracts by way of mortgage. | (7) To secure the fulfillment of any contracts or engagement entered into by the Company by mortgage or charge on all or any of the property of the Company including its whole or part of its undertaking as a going concern and its uncalled capital for the time being or in such manner as they think fit. |
| | To accept surrender of shares. | (8) To accept from any member, so far as may be permissible by law, a surrender of the shares or any part thereof, on such terms and conditions as shall be agreed upon. |
| | To appoint trustees for the Company. | (9) To appoint any person to accept and hold in trust, for the Company property belonging to the Company, or in which it is interested or for any other purposes and to execute and to do all such deeds and things as may be required in relation to any such trust, and to provide for the remuneration of such trustee or trustees. |
| | To conduct legal proceedings. | (10) To institute, conduct, defend, compound or abandon any legal proceeding by or against the Company or its Officer, or otherwise concerning the affairs and also to compound and allow time for payment or satisfaction of any debts, due, and of any claims or demands by or against the Company and to refer any difference to arbitration, either according to Indian or Foreign law and either in India or abroad and observe and perform or challenge any award thereon. |
| | Bankruptcy & Insolvency | (11) To act on behalf of the Company in all matters relating to bankruptcy insolvency. |
| | To issue receipts & give discharge. | (12) To make and give receipts, release and give discharge for moneys payable to the Company and for the claims and demands of the Company. |
| | To invest and deal with money of the Company. | (13) Subject to the provisions of the Act, and these Articles to invest and deal with any moneys of the Company not immediately required for the purpose thereof, upon such authority (not being the shares of this Company) or without security and in such manner as they may think fit and from time to time to vary or realise such investments. Save as provided in Section 187 of the Act, all investments shall be made and held in the Company's own name. |
| | To give Security by way of indemnity. | (14) To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability whether as principal or as surety, for the benefit of the Company, such mortgage of the Company's property (present or future) as they think fit, and any such mortgage may contain a power of sale and other powers, provisions, covenants and agreements as shall be agreed upon; |

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| | To determine signing powers. | (15) To determine from time to time persons who shall be entitled to sign on Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents and to give the necessary authority for such purpose, whether by way of a resolution of the Board or by way of a power of attorney or otherwise. |
| | Commission or share in profits. | (16) To give to any Director, Officer, or other persons employed by the Company, a commission on the profits of any particular business or transaction, or a share in the general profits of the company; and such commission or share of profits shall be treated as part of the working expenses of the Company. |
| | Bonus etc. to employees. | (17) To give, award or allow any bonus, pension, gratuity or compensation to any employee of the Company, or his widow, children, dependents, that may appear just or proper, whether such employee, his widow, children or dependents have or have not a legal claim on the Company. |
| | Transfer to Reserve Funds. | (18) To set aside out of the profits of the Company such sums as they may think proper for depreciation or the depreciation funds or to insurance fund or to an export fund, or to a Reserve Fund, or Sinking Fund or any special fund to meet contingencies or repay debentures or debenture-stock or for equalizing dividends or for repairing, improving, extending and maintaining any of the properties of the Company and for such other purposes (including the purpose referred to in the preceding clause) as the Board may, in the absolute discretion think conducive to the interests of the Company, and subject to Section 179 of the Act, to invest the several sums so set aside or so much thereof as may be required to be invested, upon such investments (other than shares of this Company) as they may think fit and from time to time deal with and vary such investments and dispose of and apply and extend all or any part thereof for the benefit of the Company notwithstanding the matters to which the Board apply or upon which the capital moneys of the Company might rightly be applied or expended and divide the reserve fund into such special funds as the Board may think fit; with full powers to transfer the whole or any portion of a reserve fund or division of a reserve fund to another fund and with the full power to employ the assets constituting all or any of the above funds, including the deprecation fund, in the business of the company or in the purchase or repayment of debentures or debenture-stocks and without being bound to keep the same separate from the other assets and without being bound to pay interest on the same with the power to the Board at their discretion to pay or allow to the credit of such funds, interest at such rate as the Board may think proper. |
| | To appoint and remove officers and other employees. | (19) To appoint, and at their discretion remove or suspend such general manager, managers, secretaries, assistants, supervisors, scientists, technicians, engineers, consultants, legal, medical or economic advisers, research workers, labourers, clerks, agents and servants, for permanent, temporary or special services as they may from time to time think fit, and to determine their powers and duties and to fix their salaries or emoluments or remuneration and to require security in such instances and for such amounts they may think fit and also from time to time to provide for the management and transaction of the affairs of the Company in any specified locality in India or elsewhere in such manner as they think fit and the provisions contained in the next following clauses shall be without prejudice to the general powers conferred by this clause. |
| | To appoint Attorneys. | (20) At any time and from time to time by power of attorney under the seal of the Company, to appoint any person or persons to be the Attorney or attorneys of the Company, for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these presents and excluding the power to make calls and excluding also except in their limits authorised by the Board the power to make loans and borrow moneys) and for such period and subject to such conditions as the Board may from time to time think fit, and such appointments may (if the Board think fit) be made in favour of the members or any of the members of any local Board established as aforesaid or in favour of any Company, or the shareholders, directors, nominees or manager of any Company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board and any such powers of attorney may contain such powers for the protection or |

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| | | convenience for dealing with such Attorneys as the Board may think fit, and may contain powers enabling any such delegated Attorneys as aforesaid to sub-delegate all or any of the powers, authorities and discretion for the time being vested in them. |
| | To enter into contracts. | (21) Subject to Sections 188 of the Act, for or in relation to any of the matters aforesaid or otherwise for the purpose of the Company to enter into all such negotiations and contracts and rescind and vary all such contracts, and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient. |
| | To make rules. | (22) From time to time to make, vary and repeal rules for the regulations of the business of the Company its Officers and employees. |
| | To effect contracts etc. | (23) To effect, make and enter into on behalf of the Company all transactions, agreements and other contracts within the scope of the business of the Company. |
| | To apply & obtain concessions licenses etc. | (24) To apply for, promote and obtain any act, charter, privilege, concession, license, authorization, if any, Government, State or municipality, provisional order or license of any authority for enabling the Company to carry any of this objects into effect, or for extending and any of the powers of the Company or for effecting any modification of the Company's constitution, or for any other purpose, which may seem expedient and to oppose any proceedings or applications which may seem calculated, directly or indirectly to prejudice the Company's interests. |
| | To pay commissions or interest. | (25) To pay and charge to the capital account of the Company any commission or interest lawfully payable there out under the provisions of Sections 40 of the Act and of the provisions contained in these presents. |
| | To redeem preference shares. | (26) To redeem preference shares. |
| | To assist charitable or benevolent institutions. | (27) To subscribe, incur expenditure or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or any other institutions or subjects which shall have any moral or other claim to support or aid by the Company, either by reason of locality or operation or of public and general utility or otherwise. |
| | | (28) To pay the cost, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company. (29) To pay and charge to the capital account of the Company any commission or interest lawfully payable thereon under the provisions of Sections 40 of the Act. |
| | | (30) To provide for the welfare of Directors or ex-Directors or employees or ex-employees of the Company and their wives, widows and families or the dependents or connections of such persons, by building or contributing to the building of houses, dwelling or chawls, or by grants of moneys, pension, gratuities, allowances, bonus or other payments, or by creating and from time to time subscribing or contributing, to provide other associations, institutions, funds or trusts and by providing or subscribing or contributing towards place of instruction and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit and subject to the provision of Section 181 of the Act, to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other institutions or object which shall have any moral or other claim to support or aid by the Company, either by reason of locality of operation, or of the public and general utility or otherwise. |
| | | (31) To purchase or otherwise acquire or obtain license for the use of and to sell, exchange or grant license for the use of any trade mark, patent, invention or technical know-how. (32) To sell from time to time any Articles, materials, machinery, plants, stores and other Articles and thing belonging to the Company as the Board may think proper and to manufacture, prepare and sell waste and by-products. (33) From time to time to extend the business and undertaking of the Company by adding, altering or enlarging all or any of the buildings, factories, workshops, premises, plant and machinery, for the time being the property of or in the possession of the Company, or by erecting new or additional buildings, and to expend such sum of money for the purpose aforesaid or any of them as they be thought necessary or expedient. |

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| | | <p>(34) To undertake on behalf of the Company any payment of rents and the performance of the covenants, conditions and agreements contained in or reserved by any lease that may be granted or assigned to or otherwise acquired by the Company and to purchase the reversion or reversions, and otherwise to acquire on free hold sample of all or any of the lands of the Company for the time being held under lease or for an estate less than freehold estate.</p> <p>(35) To improve, manage, develop, exchange, lease, sell, resell and re-purchase, dispose off, deal or otherwise turn to account, any property (movable or immovable) or any rights or privileges belonging to or at the disposal of the Company or in which the Company is interested.</p> <p>(36) To let, sell or otherwise dispose of subject to the provisions of Section 180 of the Act and of the other Articles any property of the Company, either absolutely or conditionally and in such manner and upon such terms and conditions in all respects as it thinks fit and to accept payment in satisfaction for the same in cash or otherwise as it thinks fit.</p> <p>(37) Generally subject to the provisions of the Act and these Articles, to delegate the powers/authorities and discretions vested in the Directors to any person(s), firm, company or fluctuating body of persons as aforesaid.</p> <p>(38) To comply with the requirements of any local law which in their opinion it shall in the interest of the Company be necessary or expedient to comply with.</p> |
| MANAGING AND WHOLE-TIME DIRECTORS | | |
| 145. | Powers to appoint Managing/ Whole-time Directors. | <p>a) Subject to the provisions of the Act and of these Articles, the Directors may from time to time in Board Meetings appoint one or more of their body to be a Managing Director or Managing Directors or whole-time Director or whole-time Directors of the Company for such term not exceeding five years at a time as they may think fit to manage the affairs and business of the Company, and may from time to time (subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from office and appoint another or others in his or their place or places.</p> <p>b) The Managing Director or Managing Directors or whole-time Director or whole-time Directors so appointed shall be liable to retire by rotation. A Managing Director or Whole-time Director who is appointed as Director immediately on the retirement by rotation shall continue to hold his office as Managing Director or Whole-time Director and such re-appointment as such Director shall not be deemed to constitute a break in his appointment as Managing Director or Whole-time Director.</p> |
| 146. | Remuneration of Managing or Whole-time Director. | The remuneration of a Managing Director or a Whole-time Director (subject to the provisions of the Act and of these Articles and of any contract between him and the Company) shall from time to time be fixed by the Directors, and may be, by way of fixed salary, or commission on profits of the Company, or by participation in any such profits, or by any, or all of these modes. |
| 147. | Powers and duties of Managing Director or Whole-time Director. | <p>(1) Subject to control, direction and supervision of the Board of Directors, the day-to-day management of the company will be in the hands of the Managing Director or Whole-time Director appointed in accordance with regulations of these Articles of Association with powers to the Directors to distribute such day-to-day management functions among such Directors and in any manner as may be directed by the Board.</p> <p>(2) The Directors may from time to time entrust to and confer upon the Managing Director or Whole-time Director for the time being save as prohibited in the Act, such of the powers exercisable under these presents by the Directors as they may think fit, and may confer such objects and purposes, and upon such terms and conditions, and with such restrictions as they think expedient; and they may subject to the provisions of the Act and these Articles confer such powers, either collaterally with or to the exclusion of, and in substitution for, all or any of the powers of the Directors in that behalf, and may from time to time revoke, withdraw, alter or vary all or any such powers.</p> <p>(3) The Company's General Meeting may also from time to time appoint any Managing Director or Managing Directors or Whole-time Director or Whole-time Directors of the Company and may exercise all the powers referred to in these Articles.</p> <p>(4) The Managing Director shall be entitled to sub-delegate (with the sanction of the Directors where necessary) all or any of the powers, authorities and</p> |

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| | | <p>discretions for the time being vested in him in particular from time to time by the appointment of any attorney or attorneys for the management and transaction of the affairs of the Company in any specified locality in such manner as they may think fit.</p> <p>(5) Notwithstanding anything contained in these Articles, the Managing Director is expressly allowed generally to work for and contract with the Company and especially to do the work of Managing Director and also to do any work for the Company upon such terms and conditions and for such remuneration (subject to the provisions of the Act) as may from time to time be agreed between him and the Directors of the Company.</p> |
| CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY OR CHIEF FINANCIAL OFFICER | | |
| 148. | Board to appoint Chief Executive Officer/ Manager/ Company Secretary/ Chief Financial Officer | <p>a) Subject to the provisions of the Act,—</p> <p>i. A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;</p> <p>ii. A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.</p> <p>b) A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.</p> |
| THE SEAL | | |
| 149. | The seal, its custody and use. | <p>(a) The Board shall provide a Common Seal for the purposes of the Company, and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof, and the Board shall provide for the safe custody of the Seal for the time being, and the Seal shall never be used except by the authority of the Board or a Committee of the Board previously given.</p> <p>(b) The Company shall also be at liberty to have an Official Seal in accordance with of the Act, for use in any territory, district or place outside India.</p> |
| 150. | Deeds how executed. | The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorized by it in that behalf, and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence. |
| DIVIDEND AND RESERVES | | |
| 151. | Division of profits. | <p>(1) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.</p> <p>(2) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.</p> <p>(3) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.</p> |
| 152. | The company in General Meeting may declare Dividends. | The Company in General Meeting may declare dividends, to be paid to members according to their respective rights and interests in the profits and may fix the time for payment and the Company shall comply with the provisions of Section 127 of the Act, but no dividends shall exceed the amount recommended by the Board of Directors, but the Company may declare a smaller dividend in general meeting. |
| 153. | Transfer to reserves | a) The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of |

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| | | the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, thinks fit. b) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve. |
| 154. | Interim Dividend. | Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the company. |
| 155. | Debts may be deducted. | The Directors may retain any dividends on which the Company has a lien and may apply the same in or towards the satisfaction of the debts, liabilities or engagements in respect of which the lien exists. |
| 156. | Capital paid up in advance not to earn dividend. | No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this articles as paid on the share. |
| 157. | Dividends in proportion to amount paid-up. | All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid but if any share is issued on terms providing that it shall rank for dividends as from a particular date such share shall rank for dividend accordingly. |
| 158. | Retention of dividends until completion of transfer under Articles . | The Board of Directors may retain the dividend payable upon shares in respect of which any person under Articles has become entitled to be a member, or any person under that Article is entitled to transfer, until such person becomes a member, in respect of such shares or shall duly transfer the same. |
| 159. | No Member to receive dividend whilst indebted to the company and the Company's right of reimbursement thereof. | No member shall be entitled to receive payment of any interest or dividend or bonus in respect of his share or shares, whilst any money may be due or owing from him to the Company in respect of such share or shares (or otherwise however, either alone or jointly with any other person or persons) and the Board of Directors may deduct from the interest or dividend payable to any member all such sums of money so due from him to the Company. |
| 160. | Effect of transfer of shares. | A transfer of shares does not pass the right to any dividend declared thereon before the registration of the transfer. |
| 161. | Dividend to joint holders. | Any one of several persons who are registered as joint holders of any share may give effectual receipts for all dividends or bonus and payments on account of dividends in respect of such share. |
| 162. | Dividends how remitted. | a) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct. b) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. |
| 163. | Notice of dividend. | Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act. |
| 164. | No interest on Dividends. | No unclaimed dividend shall be forfeited before the claim becomes barred by law and no unpaid dividend shall bear interest as against the Company. |
| CAPITALIZATION | | |
| 165. | Capitalization. | (1) The Company in General Meeting may, upon the recommendation of the Board, resolve: (a) that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the Profit and Loss account, or otherwise available for distribution; and (b) that such sum be accordingly set free for distribution in the manner specified in clause (2) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions. (2) The sums aforesaid shall not be paid in cash but shall be applied subject to the provisions contained in clause (3) either in or towards: (i) paying up any amounts for the time being unpaid on any shares held by such members respectively; (ii) paying up in full, unissued shares of the Company to be allotted and distributed, credited as fully paid up, to and amongst such members in the proportions aforesaid; or (iii) partly in the way specified in sub-clause (i) and partly in that specified in sub-clause (ii). |

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| | | <p>(3) A Securities Premium Account and Capital Redemption Reserve Account may, for the purposes of this regulation, only be applied in the paying up of unissued shares to be issued to members of the Company and fully paid bonus shares.</p> <p>(4) The Board shall give effect to the resolution passed by the Company in pursuance of this regulation.</p> |
| 166. | Fractional Certificates. | <p>(1) Whenever such a resolution as aforesaid shall have been passed, the Board shall —</p> <p>(a) make all appropriations and applications of the undivided profits resolved to be capitalized thereby and all allotments and issues of fully paid shares, if any, and</p> <p>(b) generally to do all acts and things required to give effect thereto.</p> <p>(2) The Board shall have full power -</p> <p>(a) to make such provision, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, in case of shares becoming distributable in fractions; and also</p> <p>(b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further shares to which they may be entitled upon such capitalization, or (as the case may require) for the payment by the Company on their behalf, by the application thereto of their respective proportions, of the profits resolved to be capitalized, of the amounts or any part of the amounts remaining unpaid on their existing shares.</p> <p>(3) Any agreement made under such authority shall be effective and binding on all such members.</p> <p>(4) That for the purpose of giving effect to any resolution, under the preceding paragraph of this Article, the Directors may give such directions as may be necessary and settle any questions or difficulties that may arise in regard to any issue including distribution of new equity shares and fractional certificates as they think fit.</p> |
| 167. | Inspection of Minutes Books of General Meetings. | <p>(1) The books containing the minutes of the proceedings of any General Meetings of the Company shall be open to inspection of members without charge on such days and during such business hours as may consistently with the provisions of Section 119 of the Act be determined by the Company in General Meeting and the members will also be entitled to be furnished with copies thereof on payment of regulated charges.</p> <p>(2) Any member of the Company shall be entitled to be furnished within seven days after he has made a request in that behalf to the Company with a copy of any minutes referred to in sub-clause (1) hereof on payment of Rs. 10 per page or any part thereof.</p> |
| 168. | Inspection of Accounts | <p>a) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the company, or any of them, shall be open to the inspection of members not being directors.</p> <p>b) No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the Board or by the company in general meeting.</p> |
| FOREIGN REGISTER | | |
| 169. | Foreign Register. | The Company may exercise the powers conferred on it by the provisions of the Act with regard to the keeping of Foreign Register of its Members or Debenture holders, and the Board may, subject to the provisions of the Act, make and vary such regulations as it may think fit in regard to the keeping of any such Registers. |
| DOCUMENTS AND SERVICE OF NOTICES | | |
| 170. | Signing of documents & notices to be served or given. | Any document or notice to be served or given by the Company be signed by a Director or such person duly authorised by the Board for such purpose and the signature may be written or printed or lithographed. |
| 171. | Authentication of documents and proceedings. | Save as otherwise expressly provided in the Act, a document or proceeding requiring authentication by the company may be signed by a Director, the Manager, or Secretary or other Authorised Officer of the Company and need not be under the Common Seal of the Company. |
| WINDING UP | | |
| 172. | | Subject to the provisions of Chapter XX of the Act and rules made thereunder— |

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| | | <p>(i) If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.</p> <p>(ii) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.</p> <p>(iii) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.</p> |
| INDEMNITY | | |
| 173. | Directors' and others right to indemnity. | <p>Subject to provisions of the Act, every Director, or Officer or Servant of the Company or any person (whether an Officer of the Company or not) employed by the Company as Auditor, shall be indemnified by the Company against and it shall be the duty of the Directors to pay, out of the funds of the Company, all costs, charges, losses and damages which any such person may incur or become liable to, by reason of any contract entered into or act or thing done, concurred in or omitted to be done by him in any way in or about the execution or discharge of his duties or supposed duties (except such if any as he shall incur or sustain through or by his own wrongful act neglect or default) including expenses, and in particular and so as not to limit the generality of the foregoing provisions, against all liabilities incurred by him as such Director, Officer or Auditor or other officer of the Company in defending any proceedings whether civil or criminal in which judgment is given in his favor, or in which he is acquitted or in connection with any application under Section 463 of the Act on which relief is granted to him by the Court.</p> |
| 174. | Not responsible for acts of others | <p>Subject to the provisions of the Act, no Director, Managing Director or other officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Directors or Officer, or for joining in any receipt or other act for conformity, or for any loss or expense happening to the Company through insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person, company or corporation, with whom any moneys, securities or effects shall be entrusted or deposited, or for any loss occasioned by any error of judgment or oversight on his part, or for any other loss or damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto, unless the same happens through his own dishonesty.</p> |
| SECRECY | | |
| 175. | Secrecy | <p>(a) Every Director, Manager, Auditor, Treasurer, Trustee, Member of a Committee, Officer, Servant, Agent, Accountant or other person employed in the business of the company shall, if so required by the Directors, before entering upon his duties, sign a declaration pleading himself to observe strict secrecy respecting all transactions and affairs of the Company with the customers and the state of the accounts with individuals and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matter which may come to his knowledge in the discharge of his duties except when required so to do by the Directors or by any meeting or by a Court of Law and except so far as may be necessary in order to comply with any of the provisions in these presents contained.</p> |
| | Access to property information etc. | <p>(b) No member or other person (other than a Director) shall be entitled to enter the property of the Company or to inspect or examine the Company's premises or properties or the books of accounts of the Company without the permission of the Board of Directors of the Company for the time being or to require discovery of or any information in respect of any detail of the Company's trading or any matter which is or may be in the nature of trade secret, mystery of trade or secret process or of any matter whatsoever which may relate to the conduct of the business of the Company and which in the opinion of the Board it will be inexpedient in the interest of the Company to disclose or to communicate.</p> |

SECTION X - OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two (2) years before the date of filing of this Draft Red Herring Prospectus which are or may be deemed material have been entered or are to be entered into by our Company. These contracts, copies of which will be attached to the copy of the Red Herring Prospectus, will be delivered to the ROC for registration/submission of the Red Herring Prospectus and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company and on our website at www.sawaliyafood.com, from date of filing of Red Herring Prospectus with ROC on all Working Days until the Bid/Offer Closing Date.

1. Material Contracts for the Offer

- (i). Offer Agreement dated October 11, 2024 entered into between our Company, Selling Shareholders, and the Book Running Lead Manager.
- (ii). Registrar Agreement dated October 11, 2024 entered into amongst our Company, Selling Shareholders, and the Registrar to the Offer.
- (iii). Tripartite agreement among the NSDL, our Company and Registrar to the Offer dated August 9, 2024.
- (iv). Tripartite agreement among the CDSL, our Company and Registrar to the Offer dated August 22, 2024.
- (v). Syndicate Agreement dated [●] executed between our Company, Selling Shareholders, Book Running Lead Manager and Syndicate Member.
- (vi). Share Escrow Agreement dated [●] between our Company, Selling Shareholders, the BRLM and Share Escrow Agent.
- (vii). Banker to the Offer Agreement dated [●] among our Company, Selling Shareholders, Book Running Lead Manager, Banker to the Offer and the Registrar to the Offer.
- (viii). Market Making Agreement dated [●] between our Company, Selling Shareholders, Book Running Lead Manager and Market Maker.
- (ix). Underwriting Agreement dated [●] amongst our Company, Selling Shareholders and the Underwriters.

2. Material Documents

- (i) Certified true copies of the Memorandum and Articles of Association of our Company, as amended from time to time.
- (ii) Certificate of Incorporation dated July 1, 2014 under the Companies Act, 2013 issued by Registrar of Companies, Madhya Pradesh.
- (iii) Certificate of incorporation dated July 15, 2024 issued under the Companies Act, 2013 issued by Registrar of Companies, Central Processing Centre, consequent to conversion of our Company from a private limited company to a public limited company.
- (iv) The present Offer has been authorized pursuant to a resolution of our Board dated September 23, 2024 and pursuant to a special resolution of our Shareholders passed in an Extra-Ordinary General Meeting dated September 26, 2024 under Section 62(1)(c) of the Companies Act, 2013.
- (v) Resolution of the Board of Directors of the Company dated October 15, 2024, taking on record and approving this Draft Red Herring Prospectus.
- (vi) Certificate on Key Performance Indicators (KPI's) issued by Statutory Auditor dated October 9, 2024.
- (vii) Resolution passed by the Board of Directors at the meeting held on May 25, 2024 and approved by the Shareholders of our Company at an EGM held on July 26, 2024, for designating Raghav Somani as the Managing Director of our Company.
- (viii) Resolution passed by the Board of Directors at the meeting held on July 22, 2024 and approved by the Shareholders of our Company at an EGM held on July 26, 2024, for designating Priya Somani as the Whole-time Director of our Company.
- (ix) The examination reports dated September 23, 2024 issued by the Statutory Auditor, on our Company's Restated Financial Statements, included in this Draft Red Herring Prospectus.

- (x) Consent dated October 2, 2024 from Mayank Maithil, Independent Chartered Engineer, to include their name as required under section 26 (5) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an “expert” as defined under section 2(38) of the Companies Act, 2013, in relation to and for the inclusion of (i) the certificate dated September 28, 2024 issued to certify the proposed capacity expansion in our current manufacturing unit; and (ii) certificate dated September 28, 2024 issued to certify the installed capacity and capacity utilization at our current manufacturing unit situated in Madhya Pradesh.
- (xi) Form GNL-2 bearing SRN AB1490959 on October 11, 2024 filed with the RoC for reporting discrepancies and incorrect filings in relation to statutory filings made by the Company under the Companies Act, 2013.
- (xii) Copies of the Audited Financial Statements of our Company for the three months period ended June 30, 2024 and for the Financial Years ended on as on for the Fiscals 2024 and 2023 and 2022.
- (xiii) Consent of the Promoters, Directors, Selling Shareholders, the Book Running lead Manager, Legal Counsel, Registrar to the Offer, Bankers to our Company, Company Secretary and Compliance Officer and Chief Financial Officer as referred to in their specific capacities.
- (xiv) Authorization Letter from Selling Shareholders for Offer for sale each dated September 27, 2024.
- (xv) Consent letter dated October 9, 2024 of the Statutory Auditor to include their names as experts in relation to their report dated September 23, 2024 on the Restated Financial Information and the Statement of Tax Benefits dated October 9, 2024 included in this Draft Red Herring Prospectus.
- (xvi) In principle listing approval dated [●] issued by National Stock Exchange of India Limited.
- (xvii) Due Diligence Certificate dated October 15, 2024, issued by the BRLM.

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act, 2013 and other relevant statutes.

DECLARATION

I, Raghav Somani, hereby confirm that all statements and undertakings specifically made or confirmed by me in this 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 Draft Red Herring Prospectus.

SIGNED BY THE SELLING SHAREHOLDER

Raghav Somani

Place: Madhya Pradesh, India

Date: October 15, 2024

DECLARATION

I, Priya Somani, hereby confirm that all statements and undertakings specifically made or confirmed by me in this 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 Draft Red Herring Prospectus.

SIGNED BY THE SELLING SHAREHOLDER

Priya Somani

Place: Madhya Pradesh, India

Date: October 15, 2024

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

SIGNED BY THE DIRECTOR OF OUR COMPANY

Raghav Somani

Chairman and Managing Director

Place: Madhya Pradesh, India

Date: October 15, 2024

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

SIGNED BY THE DIRECTOR OF OUR COMPANY

Priya Somani
Whole-time Director

Place: Madhya Pradesh, India

Date: October 15, 2024

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

SIGNED BY THE DIRECTOR OF OUR COMPANY

Kartavya Kumar Chitlangya
Non-Executive Director

Place: Madhya Pradesh, India

Date: October 15, 2024

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

SIGNED BY THE DIRECTOR OF OUR COMPANY

Ravikant Gupta
Independent Director

Place: Madhya Pradesh, India

Date: October 15, 2024

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

SIGNED BY THE DIRECTOR OF OUR COMPANY

Shweta Bhamare
Independent Director

Place: Madhya Pradesh, India

Date: October 15, 2024

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

SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY

Pankaj Neema
Chief Financial Officer

Place: Madhya Pradesh, India

Date: October 15, 2024