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Draft Prospectus  
April 03, 2023  
Please read section 26 of the Companies Act, 2013  
Fixed Price Issue



**SONALIS CONSUMER PRODUCTS LIMITED**  
**Corporate Identification Number: U15490MH2022PLC378461**

REGISTERED OFFICE	CORPORATE OFFICE	CONTACT PERSON	EMAIL & TELEPHONE	WEBSITE
Unit No. 16, Ground Level, Loft & Basement, Sethia Industrial Estate, Tungreshwar Phata Vasai East Palghar Thane, Maharashtra- 410208, India	N.A.	Ms. Ankita Chopra	<a href="mailto:cs@appetitefood.in">cs@appetitefood.in</a> & +91 98676 11444	<a href="http://www.appetitefood.in">www.appetitefood.in</a>

**NAME OF PROMOTER(S) OF THE COMPANY**

**MS. SONALI NILESH KOCHAREKAR AND MS. SMITA SHASHIKANT SHAH**

**DETAILS OF OFFER TO PUBLIC**

Type	Fresh Issue Size (by ₹ in Lakhs)	OFS* (by no. of shares or by amount in ₹)	Total Size	Eligibility & Share Reservation among NII & RII
Fresh Issue	₹ [●]	Nil	₹ [●]	The Issue is being made pursuant to Regulation 229 (1) of SEBI (ICDR) Regulations as the Company's post issue paid-up capital is less than ₹10.00 Cr. For details in relation to share reservation among NIIs and RIIs, see "Issue Structure" on page 178 of this Draft Prospectus

\*OFS: Offer for Sale

**DETAILS OF OFS BY PROMOTER(S)/ PROMOTER GROUP/ OTHER SELLING SHAREHOLDERS - NA**

**RISKS IN RELATION TO THE FIRST ISSUE** – This being the first public issue of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹ 10/- each and the Issue Price is [●] times of the face value of the Equity Shares. The Issue Price (determined and justified by our Company in consultation with the Lead Manager as stated in "Basis for Issue Price" on page 69 of this Draft Prospectus) should not be taken 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 or 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 issue 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 Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares issued in the Issue 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 Prospectus. Specific attention of the investors is invited to the section "Risk Factors" beginning on page 23 of this Draft Prospectus.

**ISSUER'S ABSOLUTE RESPONSIBILITY**

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Prospectus contains all information with regard to our Company and the Issue, which is material in the context of this Issue, that the information contained in this Draft 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 make this Draft Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

**LISTING**

The Equity Shares of our Company offered through this Draft Prospectus are proposed to be listed on the SME Platform of BSE Limited in terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018 as amended from time to time. Our Company has received an approval letter dated [●] from BSE Limited for using its name in the Draft Prospectus for listing of our shares on the SME Platform of BSE Limited. For the purpose of this Issue, BSE Limited shall be the Designated Stock Exchange.

**LEAD MANAGER**

**REGISTRAR TO THE ISSUE**



**Expert Global Consultants Private Limited**  
1511, RG Trade Tower Netaji Subhash Place, Pitampura, New Delhi – 110 034, India  
**Telephone:** 011 4509 8234  
**Email:** [ipo@expertglobal.in](mailto:ipo@expertglobal.in)  
**Website:** [www.expertglobal.in](http://www.expertglobal.in)  
**Investor grievance email:** [compliance@expertglobal.in](mailto:compliance@expertglobal.in)  
**Contact Person:** Mr. Gaurav Jain  
**SEBI registration number:** INM000012874  
**CIN:** U74110DL2010PTC205995

**PURVA SHAREREGISTRY (INDIA) PRIVATE LIMITED**  
9, Shiv Shakti Industrial Estate, J. R. Boricha Marg, Opp. Kasturba Hospital Lane, Lower Parel (E) Mumbai – 400011, Maharashtra, India  
**Tel:** 022 2301 2518 / 8261,  
**Email/ Investor Grievance E-mail ID:** [support@purvashare.com](mailto:support@purvashare.com)  
**Website:** [www.purvashare.com](http://www.purvashare.com)  
**Contact Person:** Mr. Rajesh Shah/ Ms. Purva Shah/ Ms. Deepali Dhuri  
**SEBI Registration No:** INR000001112  
**CIN:** U67120MH1993PTC074079

**ISSUE PROGRAMME**

**ISSUE OPENS ON:** [●] DAY, [●] 2023

**ISSUE CLOSURES ON:** [●] DAY, [●] 2023



## SONALIS CONSUMER PRODUCTS LIMITED

**Corporate Identification Number: U15490MH2022PLC378461**

Our Company was incorporated as 'Sonalis Consumer Products Limited' pursuant to a certificate of incorporation dated March 15, 2022 issued by the Registrar of Companies, Central Registration Centre, Ministry of Corporate Affairs, as a public limited company under the Companies Act, 2013 having Corporate Identity Number U15490MH2022PLC378461. For further details of incorporation, please refer the section titled 'History and Certain Other Corporate Matters' beginning on page 105 of this Draft Prospectus. For details of incorporation, change of name and registered office of our Company, please refer to chapter titled "General Information" and "History and Certain Corporate Matters" beginning on page 45 and 105 respectively of this Draft Prospectus.

**Registered Office:** Unit No. 16, Ground Level, Loft & Basement Sethia Industrial Estate, Tungareshwar Phata Vasai East Palghar Thane, Maharashtra- 410208, India

**Telephone No:** +91-9867611444; **Fax:** NA; **Website:** www.appetitefood.in; **E-mail ID:** cs@appetitefood.in

**Contact Person:** Ms. Ankita Chopra, Company Secretary

### MS. SONALI NILESH KOCHAREKAR AND MS. SMITA SHASHIKANT SHAH

**INITIAL PUBLIC ISSUE OF UPTO 9,44,000 EQUITY SHARES OF FACE VALUE OF RS.10 EACH OF SONALIS CONSUMER PRODUCTS LIMITED (THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF RS. [●] PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF RS. [●] PER EQUITY SHARE (THE "ISSUE PRICE") AGGREGATING TO RS. [●] ("THE ISSUE"), OF WHICH UP TO 52,000 EQUITY SHARES OF FACE VALUE OF RS. 10 EACH FOR CASH AT A PRICE OF RS. [●] PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF [●] PER EQUITY SHARE AGGREGATING TO RS. [●] WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER TO THE ISSUE (THE "MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION i.e. NET ISSUE OF 8,92,000 EQUITY SHARES OF FACE VALUE OF 10 EACH AT A PRICE OF RS. [●] PER EQUITY SHARE AGGREGATING TO RS. [●] IS HEREIN AFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 47.22% AND 44.62% RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY.**

**THIS ISSUE IS BEING MADE IN TERMS OF CHAPTER IX OF THE SEBI (ICDR) REGULATIONS, 2018 AS AMENDED FROM TIME TO TIME. FOR FURTHER DETAILS SEE "TERMS OF THE ISSUE" BEGINNING ON PAGE 171 OF THIS DRAFT PROSPECTUS.**

All the investors applying in a public issue shall use only Application Supported by Blocked Amount (ASBA) facility process including through UPI mode (as applicable) for making payment providing details about the bank account which will be blocked by the Self Certified Syndicate Banks ("SCSBs") as per the SEBI circular CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015. For further details, please refer to section titled "Issue Procedure" beginning on page 181 of this Draft Prospectus. In case of delay, if any in refund, our Company shall pay interest on the application money at the rate of 15 % per annum for the period of delay.

**THE FACE VALUE OF THE EQUITY SHARES IS RS. 10/- EACH AND THE ISSUE PRICE IS [●] TIMES OF THE FACE VALUE.**

This Issue is being made in terms of chapter IX of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (The "SEBI (ICDR) Regulations"), As amended, in terms of Rule 19(2)(B)(I) of the Securities Contracts (Regulation) Rules, 1957, As amended, this is an Issue for at least 25% Of the Post-Issue Paid-Up Equity Share Capital of our Company. This Issue is a Fixed Price Issue and Allocation in the Net Issue to the Public will be made Terms of Regulation 253 of the SEBI (ICDR) Regulations, 2018 as amended. For Further Details, refer "Issue Procedure" on page 181 of this Draft Prospectus.

### RISK IN RELATION TO THE FIRST ISSUE

This being the first public Issue of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹ 10 each and the Issue Price is [●] times of the face value of the Equity Shares. The Issue Price (determined and justified by our Company in consultation with the Lead Manager as stated in "Basis for Issue Price" on page 69 should not be taken 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 or regarding the price at which the Equity Shares will be traded after listing.

### GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares issued in the Issue have neither been recommended nor approved by Securities and Exchange Board of India nor does Securities and Exchange Board of India guarantee the accuracy or adequacy of this Draft Prospectus. Specific attention of the investors is invited to the section titled "Risk Factors" beginning on page 23 of this Draft Prospectus.

### ISSUER'S ABSOLUTE RESPONSIBILITY

The Issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Prospectus contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in this Draft 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 Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

### LISTING

The Equity Shares of our Company offered through this Draft Prospectus are proposed to be listed on the SME Platform of BSE Limited in terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018 as amended from time to time. Our Company has received an approval letter dated [●] from BSE Limited for using its name in the Draft Prospectus for listing of our shares on the SME Platform of BSE Limited. For the purpose of this Issue, BSE Limited shall be the Designated Stock Exchange.

### LEAD MANAGER

### REGISTRAR TO THE ISSUE



**Expert Global Consultants Private Limited**  
1511, RG Trade Tower Netaji Subhash Place, Pitampura, New Delhi – 110 034, India  
**Telephone:** 011 4509 8234  
**Email:** ipo@expertglobal.in  
**Website:** www.expertglobal.in  
**Investor grievance email:** compliance@expertglobal.in  
**Contact Person:** Mr. Gaurav Jain  
**SEBI registration number:** INM000012874  
**CIN:** U74110DL2010PTC205995

**PURVA SHAREREGISTRY (INDIA) PRIVATE LIMITED**  
9, Shiv Shakti Industrial Estate, J. R. Boricha Marg, Opp. Kasturba Hospital Lane, Lower Parel (E) Mumbai – 400011, Maharashtra, India  
**Tel:** 022 2301 2518 / 8261,  
**Email/ Investor Grievance E-mail ID:** support@purvashare.com  
**Website:** www.purvashare.com  
**Contact Person:** Mr. Rajesh Shah/ Ms. Purva Shah/ Ms. Deepali Dhuri  
**SEBI Registration No:** INR000001112  
**CIN:** U67120MH1993PTC074079

### ISSUE PROGRAMME

**ISSUE OPENS ON: [●] DAY, [●] 2023**

**ISSUE CLOSES ON: [●] DAY, [●] 2023**

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## SECTION I – GENERAL

### DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates or implies or unless otherwise specified, the following terms and abbreviations have the following meanings in this Draft Prospectus, and references to any statute or rules or guidelines or regulations or circulars or notifications or policies will include any amendments, clarifications, modifications, replacements or re-enactments notified thereto, from time to time.

The words and expressions used but not defined in this Draft Prospectus will (to the extent applicable) have the same meaning as assigned to such terms under the Companies Act 2013, the Securities and Exchange Board of India Act, 1992 (the 'SEBI Act'), the Securities Contracts (Regulation) Act, 1956 (the 'SCRA'), the Depositories Act, 1996 (the 'Depositories Act') and the rules and regulations made thereunder.

Notwithstanding the foregoing, terms used in the section titled 'Description of Equity Shares and Terms of Articles of Association', 'Statement of Possible Special Tax Benefits', 'Industry Overview', 'Key Industry Regulations and Policies', 'Restated Financial Statements', 'Outstanding Litigation and Material Developments', 'Basis of the Issue Price' and 'Government and Other Approvals', beginning on pages 209, 71, 73, 83, 128, 156, 69 and 156 respectively, in this Draft Prospectus, will have the meaning ascribed to such terms in these respective section.

### GENERAL TERMS

Term	Description
'SCP', 'the Company', 'our Company', 'Sonalis Consumer Products Limited'	Sonalis Consumer Products Limited, a company incorporated in India under the provisions of the Companies Act, 2013, having its registered office situated at Unit No. 16, Ground Level, Loft & Basement Sethia Industrial Estate, Tungareshwar Phata, Vasai East, Palghar, Thane, Maharashtra- 410208, India;
Promoter (s)	The promoters of our Company, namely being, Ms. Sonali Nilesh Kocharekar and Ms. Smita Shashikant Shah. For further details, please refer to section titled 'Our Promoters and Promoter Group' beginning on page 121 of this Draft Prospectus;
Promoter Directors	Ms. Sonali Nilesh Kocharekar and Ms. Smita Shashikant Shah are the promoters and also hold directorship in the capacity of being Managing Director and Whole Time Executive & Woman Director, respectively of our Company. For further details, please refer to section titled 'Our Management' and 'Our Promoters and Promoter Group' beginning on page 108 and page 121 of this Draft Prospectus;
'we', 'us', 'our'	Unless the context otherwise indicates or implies, refers to our Company;
'you', 'your', 'yours'	Prospective investors in this Issue;

### COMPANY RELATED TERMS

Term	Description
'AoA', 'Articles of Association', 'Articles'	The articles of association of our Company, as amended;
'Audit Committee'	The Committee of the Board of Directors constituted on September 10, 2022, as the Company's Audit Committee in accordance with Section 177 of the Companies Act, 2013, as described under section titled 'Our Management' beginning on page 108 of this Draft Prospectus;
'Auditors', 'Statutory Auditors'	The statutory auditors of our Company, being SSRV & Associates, Chartered Accountants, bearing Firm Registration No. '135901W';
'Bankers to our Company'	IDFC First Bank is the bankers to our Company, as described under section titled 'General Information' beginning on page 45 of this Draft Prospectus;
'Board', 'Board of Directors'	The Board of Directors of our Company, including all duly constituted committees thereof. For further details of our Directors, please refer to the section titled 'Our Management' beginning on page 108 of this Draft Prospectus;
'CFO', 'Chief Financial Officer'	The Chief Financial Officer of our Company being Mr. Shivang Shashikant Shah;
'Chairman', 'Chairperson'	The Chairman/ Chairperson of the Board of Directors of our Company being Ms. Sonali Nilesh Kocharekar;
'CIN'	Corporate Identification Number of our Company i.e. U15490MH2022PLC378461;
'Compliance Officer'	The Compliance Officer of our Company being Mr. Shivang Shashikant Shah;
'Directors', 'our Directors'	The director(s) on our Board of Directors, as described in the section titled 'Our Management' beginning on page 108 of this Draft Prospectus;

Term	Description
‘Equity Shares’	The equity shares of our Company having face value of ₹10.00/- (Rupees Ten only) each, unless otherwise specified in the context thereof;
‘Equity Shareholders’	Persons/ Entities holding Equity Shares of our Company;
‘Executive Directors’	Executive Directors are the managing director and whole-time directors of our Company;
‘Group Company’	Companies (other than our Promoters and Subsidiaries) with which there were related party transactions as disclosed in the ‘Restated Financial Statements’ as covered under the applicable accounting standards on page 128 of this Draft Prospectus, and as disclosed in the section titled ‘Our Group Companies’ beginning on page 126 of this Draft Prospectus;
‘Independent Director(s)’	Non-Executive and Independent director(s) on our Board who are eligible to be appointed as independent directors under the provisions of the Companies Act, 2013 and the SEBI (LODR) Regulations. For details of the Independent Directors, refer the section ‘Our Management’ beginning on page 108 of this Draft Prospectus;
‘Indian GAAP’	Generally Accepted Accounting Principles in India;
‘ISIN’	International Securities Identification Number. In this case being INE0N5O01013;
‘KMP’, ‘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, as described in the section ‘Our Management’ beginning on page 108 of this Draft Prospectus;
‘Managing Director’	The Managing Director of our Company being Ms. Sonali Nilesh Kocharekar;
‘Materiality Policy’	The policy adopted by our Board pursuant to its resolution dated September 10, 2022, for identification of material Group Companies, material outstanding litigation and outstanding dues to material creditors, in accordance with the requirements under the SEBI (ICDR) Regulations;
‘MoA’, ‘Memorandum of Association’	The memorandum of association of our Company, as amended;
‘Nomination and Remuneration Committee’	The committee of the Board of Directors constituted on September 10, 2022, as our Company’s Nomination and Remuneration Committee, as described in the section ‘Our Management’ beginning on page 108 of this Draft Prospectus;
‘Non-Executive Director’	A Director not being a Whole-time Director of our Company;
‘Peer Review Auditor’	Independent Auditor having a valid Peer Review certificate number in our case being 014729 dated December 14, 2022, Chartered Accountants;
‘Promoter Group’	The persons and entities constituting the promoter group of our Company in terms of Regulation 2(1)(pp) of the SEBI (ICDR) Regulations, as described in the section ‘Our Promoters and Promoter Group’ beginning on page 121 of this Draft Prospectus;
‘Registered Office’	The registered of our Company is situated at Unit No. 16, Ground Level, Loft & Basement Sethia Industrial Estate, Tungareshwar Phata Vasai East Palghar Thane, Maharashtra- 410208, India;
‘Restated Financial Statements’	The restated audited financial information of the Company, which comprises of the Restated Statement of Assets and Liabilities as on March 31, 2022 and December 31, 2022, the Restated Statement of Profit and Loss for the period ended March 31, 2022 and December 31, 2022 and Restated Statement of Cash Flows for the period ended March 31, 2022 and December 31, 2022 together with the annexure and notes thereto;
‘RoC’, ‘Registrar of Companies’	Registrar of Companies, Mumbai, Maharashtra;
‘Stakeholders’ Relationship Committee’	The committee of the Board of Directors constituted on September 10, 2022, as our Company’s Stakeholders’ Relationship Committee, as described in the section ‘Our Management’ beginning on page 108 of this Draft Prospectus;
‘Subscriber to MOA’, ‘Initial Promoter’	Initial Subscriber to MoA and AoA, being Ms. Sonali Nilesh Kocharekar, Ms. Smita Shashikant Shah, Mr. Shashikant Chimanlal Shah, Mr. Shivang Shashikant Shah, Mr. Prakash Jhangiani, Mr. Ganjanan Vithal Chavan and Mr. Akshay Vitthal Bhadrike;
‘Whole-time Director’	A whole-time director of our Company;

#### ISSUE RELATED TERMS

Term	Description
‘Abridged Prospectus’	Abridged Prospectus to be issued under Regulation 255 of SEBI (ICDR) Regulations and appended to the Application Form;
‘Acknowledgement Slip’	The slip or document issued by the Designated Intermediary to an Applicant as proof of registration of the Application Form;



Term	Description
‘Allot’ / ‘Allotment’ / ‘Allotted’	Unless the context otherwise requires, the allotment of the Equity Shares pursuant to the Issue to the successful Applicants, including transfer of the Equity Shares pursuant to the Issue to the successful Applicants;
‘Allotment Advice’	Note, advice or intimation of Allotment sent to the Applicants who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange;
‘Allottees’	The successful Applicant to whom the Equity Shares are being/ have been Allotted;
‘Applicant’ / ‘Investor’	Any prospective applicant who makes an application for Equity Shares in terms of this Draft Prospectus;
‘Application Amount’	The amount at which the Applicant makes an application for the Equity Shares of our Company in terms of this Draft Prospectus;
‘Application Form’	The form in terms of which the Applicant shall apply for the Equity Shares of the Company;
‘Application Supported by Blocked Amount’, ‘ASBA’	An application, whether physical or electronic, used by ASBA Applicant to make an application authorizing an SCSB to block the Application Amount in the specified bank account maintained with such SCSB and will include amounts blocked by RIIs using the UPI mechanism;
‘ASBA Account’	A bank account maintained with an SCSB and specified in the Application Form submitted by the Applicants or the account of the RII Applicants blocked upon acceptance of UPI Mandate Request by RIIs using the UPI mechanism, to the extent of the Application Amount specified by the Applicant;
‘ASBA Applicant(s)’	Any prospective Applicant who makes an application pursuant to the terms of the Prospectus and the Application Form;
‘ASBA Application’, ‘Application’	An Application Form, whether physical or electronic, used by ASBA Applicants which will be considered as the application for Allotment in terms of the Prospectus;
‘Banker(s) to the Company’	Such banks which are disclosed as Bankers to our Company as described under section titled ‘General Information’ beginning on page 45 of this Draft Prospectus;
‘Banker(s) to the Issue’	The banks which are clearing members and registered with SEBI as Banker to an Issue with whom the Escrow Agreement is entered and in this case being ICICI Bank;
‘Banker to the Issue Agreement’	Agreement dated February 14, 2023 entered into amongst the Company, Lead Manager, the Registrar and the Banker of the Issue;
‘Basis of Allotment’	The basis on which the Equity Shares will be Allotted to successful Applicants under the Issue, as described under the section titled ‘Issue Procedure’ beginning on page 181 of this Draft Prospectus;
‘Bidding Centres’	Centres 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 Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs;
‘Broker Centres’	Broker centres notified by the stock exchanges where Applicants can submit the ASBA Forms to a Registered Broker. The details of such Broker Centres, along with the names and contact details of the Registered Broker are available on the respective websites of the Stock Exchanges ( <a href="http://www.bseindia.com">www.bseindia.com</a> );
‘BSE SME’	The SME Platform of BSE Limited for listing of equity shares offered under Chapter IX of the SEBI (ICDR) Regulations, as amended from time to time;
‘Business Day’	Monday to Friday (except public holidays);
‘CAN’, ‘Confirmation of Allocation Note’	The note or advice or intimation sent to each successful Applicant indicating the Equity Shares which will be Allotted, after approval of Basis of Allotment by the Designated Stock Exchange;
‘Client-ID’	Client identification number maintained with one of the Depositories in relation to Demat account;
‘Collecting Depository Participant(s)’, ‘CDP(s)’	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Applications at the Designated CDP Locations in terms of SEBI circular bearing reference number GR/CFD/POLICYCELL/11/2015 dated November 10, 2015;
‘Controlling Branches’	Such branches of the SCSBs which co-ordinate Applications by the Applicants with the Registrar to the Issue and the Stock Exchanges and a list of which is available at <a href="http://www.sebi.gov.in">http://www.sebi.gov.in</a> or at such other website as may be prescribed by SEBI from time to time;
‘Demographic Details’	Details of the Applicants including the Applicants’ address, name of the Applicants’ father/husband, investor status, occupation and bank account details and UPI-ID wherever applicable;

Term	Description
<b>‘Depositories’</b>	A depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996 i.e. CDSL and NSDL;
<b>‘Depositories Act’</b>	The Depositories Act, 1996, as amended from time to time;
<b>‘Designated Date’</b>	The date on which relevant amounts are transferred from the ASBA Accounts to the Public Issue Account or the Refund Account, as the case may be, and the instructions are issued to the SCSBs (in case of RIIs using UPI Mechanism, instruction issued through the Sponsor Bank) for the transfer of amounts blocked by the SCSBs in the ASBA Accounts to the Public Issue Account or the Refund Account, as the case may be, in terms of the Prospectus following which Equity Shares will be Allotted in the Issue;
<b>‘Designated Intermediaries’, ‘Collecting Agent’</b>	In relation to ASBA Forms submitted by RIIs authorizing an SCSB to block the Application Amount in the ASBA Account, Designated Intermediaries shall mean SCSBs. In relation to ASBA Forms submitted by RIIs where the Application Amount will be blocked upon acceptance of UPI Mandate Request by such RII using the UPI Mechanism, Designated Intermediaries shall mean syndicate members, sub-syndicate members, Registered Brokers, CDPs and RTAs. In relation to ASBA Forms submitted by QIBs and NIBs, Designated Intermediaries shall mean SCSBs, syndicate members, sub-syndicate members, Registered Brokers, CDPs and RTAs;
<b>‘Designated CDP Locations’</b>	Such locations of the CDPs where Applicants can submit the 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 Application Forms are available on the websites of the stock exchange;
<b>‘Designated Market Maker’</b>	[●] will act as the Market Maker and has agreed to receive or deliver 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 amendment to SEBI (ICDR) Regulations;
<b>‘Designated RTA Locations’</b>	Such locations of the RTAs where Applicants can submit the Application Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept Application Forms are available on the websites of the Stock Exchange;
<b>‘Designated SCSB Branches’</b>	Such branches of the SCSBs which shall collect the ASBA Forms (other than ASBA Forms submitted by RIIs where the Application Amount will be blocked upon acceptance of UPI Mandate Request by such RII using the UPI Mechanism), a list of which is available on the website of SEBI at <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> ; Intermediaries or at such other website as may be prescribed by SEBI from time to time;
<b>‘Designated Stock Exchange’</b>	The SME Platform of BSE Limited i.e. BSE SME for listing of equity shares offered under Chapter IX of the SEBI (ICDR) Regulations, as amended from time to time;
<b>‘DP’</b>	Depository Participant;
<b>‘DP-ID’</b>	Depository Participant’s Identity Number;
<b>‘Draft Prospectus’</b>	This Draft Prospectus dated April 03, 2023 issued in accordance with the SEBI (ICDR) Regulations;
<b>‘Eligible NRI(s)’</b>	An Non-Resident Indian from such a jurisdiction outside India where it is not unlawful to make an Issue or invitation under this Issue and in relation to whom the Application Form and the Prospectus will constitutes an invitation to purchase the equity shares;
<b>‘Electronic Transfer of Funds’</b>	Refunds through ECS, NEFT, Direct Credit or RTGS as applicable;
<b>‘Escrow Account’</b>	Accounts opened with the Banker to the Issue;
<b>‘Escrow Agreement’, ‘Banker to the Issue Agreement’</b>	Agreement dated February 14, 2023 entered into amongst the Company, Lead Manager, the Registrar and the Banker to the Issue to receive monies from the Applicants through the SCSBs Bank Account on the Designated Date in the Public Issue Account.
<b>‘First Applicant’, ‘Sole Applicant’</b>	The Applicant whose name appears first in the Application Form or the Revision Form and in case of joint Applicants, whose name appears as the first holder of the beneficiary account held in joint names;
<b>‘Foreign Portfolio Investor’, ‘FPIs’</b>	Foreign Portfolio Investor as defined under the SEBI (Foreign Portfolio Investors) Regulations, 2019;
<b>‘Fugitive Economic Offender’</b>	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018;
<b>‘General Information Document’, ‘GID’</b>	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 and the circular no. (SEBI/HO/CFD/DIL2/CIR/P/2020/50) dated March 30, 2020 issued by SEBI. The General Information Document is available on the websites of the stock exchanges, the Lead Manager;
<b>‘GIR Number’</b>	General Index Registry Number;



Term	Description
‘Issue Proceeds’	The proceeds of the Issue as stipulated by the Company. For further information about use of the Issue Proceeds, please refer to the section titled ‘Objects of the Issue’ beginning on page 64 of this Draft Prospectus;
‘Issue’, ‘Issue Size’, ‘Public Issue’, ‘IPO’	This Initial Public Issue of 9,44,000 (Nine Lacs Forty-Four Thousand) Equity Shares for cash at an Issue Price of ₹ [●]/- per Equity Share aggregating to ₹ [●] Lakhs by our Company;
‘Issue Closing Date’	The date after which the Lead Manager, Syndicate Member, Designated Branches of SCSBs and Registered Brokers will not accept any Application for this Issue, which shall be notified in an English national newspaper, Hindi national newspaper and a regional newspaper each with wide circulation as required under the SEBI (ICDR) Regulations. In this case being [●];
‘Issue Opening Date’	The date on which the Lead Manager, Syndicate Member, Designated Branches of SCSBs and Registered Brokers shall start accepting Application for this Issue, which shall be the date notified in an English national newspaper, Hindi national newspaper and a regional newspaper each with wide circulation as required under the SEBI (ICDR) Regulations. In this case being [●];
‘Issue Period’	The period between the Issue Opening Date and the Issue Closing Date inclusive of both days and during which prospective Applicants can submit their Applications;
‘Issue Price’	The price at which the Equity Shares are being issued by our Company in consultation with the Lead Manager under this Draft Prospectus being ₹[●]/- per Equity Share;
‘Issue Proceeds’	Proceeds to be raised by our Company through this Issue, for further details please refer section titled ‘Objects of the Issue’ beginning on page 64 of this Draft Prospectus;
‘Lead Manager’	Lead Manager to the Issue is Expert Global Consultants Private Limited;
‘Listing Agreement’	Unless the context specifies otherwise, this means the Equity Listing Agreement to be signed between our Company and BSE SME;
‘Lot Size’	The Market lot and Trading lot for the Equity Shares is [●] and in multiples of [●] thereafter; subject to a minimum allotment of [●] Equity Shares to the successful Applicants;
‘Market Maker Reservation Portion’	The reserved portion of upto 52,000 Equity Shares at an Issue Price of ₹[●]/- aggregating to ₹[●] Lakhs for Designated Market Maker in the Public Issue of our Company;
‘Market Making Agreement’	The Agreement among the Market Maker, the Lead Manager and our Company dated [●];
‘Minimum Promoters’ Contribution’	Aggregate of 20.00% (Twenty percent) of the fully diluted post-Issue Equity Share capital of our Company held by our Promoters which shall be provided towards minimum promoters of 20.00% (Twenty percent) and locked-in for a period of 3 (Three) years from the date of Allotment;
‘Mobile App(s)’	The mobile applications listed on the website of SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40</a> or such other website as may be updated from time to time, which may be used by RIIs to submit Applications using the UPI Mechanism;
‘Mutual Fund’	A Mutual Fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended;
‘Net Issue’	The Net Issue of 8,92,000 Equity Shares at ₹ [●]/- per Equity Share aggregating to ₹[●]/- Lakhs by our Company.
‘Non-Institutional Applicant’	All Applicants including FPIs that are not Qualified Institutional Buyers or Retail Individual Applicants and who have Applied for Equity Shares for a cumulative amount more than ₹2,00,000.00/- (Rupees Two Lakhs Only) (but not including NRIs other than Eligible NRIs, QFIs other than Eligible QFIs)
‘Non-Resident’	A person resident outside India, as defined under FEMA and includes Eligible NRIs, Eligible QFIs, FIIs registered with SEBI and FVCIs registered with SEBI.
‘OCB’, ‘Overseas Corporate Body’	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60.00% (Sixty Percent) by NRIs including overseas trusts, in which not less than 60.00% (Sixty Percent) of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 03, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA;
‘Other Investor’	Investors other than Retail Individual Investors. These include individual applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for;
‘Person(s)’	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;
‘Prospectus’	The Prospectus to be filed with the RoC containing, <i>inter alia</i> , the Issue Opening Date and Issue Closing Date and other information;

Term	Description
<b>‘Public Issue Account’</b>	Account opened with Bankers to the Issue for the purpose of transfer of monies from the SCSBs from the bank accounts of the ASBA Applicants on the Designated Date;
<b>‘Qualified Foreign Investors’, ‘QFIs’</b>	Non-resident investors other than SEBI registered FIIs or sub-accounts or SEBI registered FVCIs who meet ‘know your client’ requirements prescribed by SEBI;
<b>‘Qualified Institutional Buyers’, ‘QIBs’</b>	Qualified Institutional Buyers as defined under clause (ss) of Sub-Regulation (1) of Regulation 2 of the SEBI (ICDR) Regulations;
<b>‘Refund Bank(s)’</b>	The Banker(s) to the Issue with whom the Refund Account(s) will be opened, in this case being ICICI Bank Limited;
<b>‘Registered Broker’</b>	Individuals or companies registered with SEBI as “Trading Members”(except Syndicate/ Sub-Syndicate Members) who hold valid membership of either BSE 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 <a href="https://www.bseindia.com/members/MembershipDirectory.aspx">https://www.bseindia.com/members/MembershipDirectory.aspx</a> ;
<b>‘Registrar Agreement’</b>	The agreement dated Monday, November 28, 2022 among our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue;
<b>‘Registrar and Share Transfer Agents’, ‘RTAs’</b>	Registrar and Share Transfer Agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of SEBI circular bearing reference number CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015;
<b>‘Registrar to the Issue’</b>	Registrar to the Issue being Purva Share registry (India) Private Limited;
<b>‘Retail Individual Investors’</b>	Individual investors (including HUFs, in the name of Karta and Eligible NRIs) who apply for the Equity Shares of a value of not more than ₹2,00,000.00/- (Rupees Two Lakhs only);
<b>‘Revision Form’</b>	Form used by the Applicants to modify the quantity of the Equity Shares or the Applicant Amount in any of their ASBA Form(s) or any previous Revision Form(s) QIB Applicants and Non-Institutional Applicants are not allowed to withdraw or lower their Applications (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Investors can revise their Application during the Issue Period and withdraw their Applications until Issue Closing Date;
<b>‘SCRA’</b>	The Securities Contracts (Regulation) Act, 1956 as amended from time to time;
<b>‘SEBI’</b>	The Securities and Exchange Board of India;
<b>‘SEBI Act’</b>	The Securities and Exchange Board of India Act, 1992, as amended from time to time;
<b>‘SEBI (SAST) Regulations’</b>	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended, including instructions and clarifications issued by SEBI from time to time;
<b>‘SEBI (ICDR) Regulations’ or ‘SEBI ICDR Regulations’ or ‘ICDR Regulations’</b>	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 issued by SEBI on September 11, 2018, as amended, including instructions and clarifications issued by SEBI from time to time;
<b>‘SEBI Insider Trading Regulations’</b>	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended, including instructions and clarifications issued by SEBI from time to time;
<b>‘SEBI (LODR) Regulations’</b>	The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, including instructions and clarifications issued by SEBI from time to time;
<b>‘SEBI (PFUTP) Regulations’</b>	SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Markets) Regulations, 2003, as amended, including instructions and clarifications issued by SEBI from time to time;
<b>‘Self-Certified Syndicate Bank(s)’, ‘SCSBs’</b>	The banks registered with SEBI, offering services, in relation to ASBA where the Bid Amount will be blocked by authorising an SCSB, a list of which is available on the website of SEBI at <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34">www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34</a> or such other website as updated from time to time, and in relation to RIBs using the UPI Mechanism, a list of which is available on the website of SEBI at <a href="https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40">https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40</a> or such other website as updated from time to time;
<b>‘Sponsor Bank’</b>	A Banker to the Issue which is registered with SEBI and is eligible to act as a Sponsor Bank in a public issue in terms of applicable SEBI requirements and has been appointed by the Company, in consultation with the Lead Manager to act as a conduit between the Stock Exchanges and NPCI to push the UPI Mandate Request in respect of RIIs as per the UPI Mechanism, in this case being ICICI Bank Limited.
<b>‘TRS’, ‘Transaction Registration Slip’</b>	The slip or document issued by a member of the Syndicate or an SCSB (only on demand), as the case may be, to the Applicant, as proof of registration of the Application;

Term	Description
‘Unified Payments Interface’, ‘UPI’	The instant payment system developed by the National Payments Corporation of India. It enables merging several banking features, seamless fund routing & merchant payments into one hood. UPI allows instant transfer of money between any two person’s bank accounts using a payment address which uniquely identifies a person’s bank Account;
‘UPI-ID’	ID created on Unified Payment Interface (UPI) for single-window mobile payment system developed by the National Payments Corporation of India (NPCI);
‘UPI Mandate Request’	A request (intimating the RII by way of a notification on the UPI application and by way of a SMS directing the RII to such UPI application) to the RII initiated by the Sponsor Bank to authorise blocking of funds on the UPI application equivalent to Application Amount and subsequent debit of funds in case of Allotment;
‘UPI mechanism’	The bidding mechanism that may be used by an RII to make an Application in the Issue in accordance with SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018 read with SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI circular bearing reference number SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 and any subsequent circulars or notifications issued by SEBI in this regard;
‘UPI-PIN’	Password to authenticate UPI transaction;
‘Underwriters’	Underwriters to the Issue, is [●];
‘Underwriting Agreement’	The Agreement among the Underwriters and our Company dated [●];
‘U.S. Securities Act’	U.S. Securities Act of 1933, as amended;
‘Working Day’	In accordance with clause (mmm) of Sub-Regulation (1) of Regulation 2 of SEBI (ICDR) Regulation, working day means all days on which commercial banks in the city as specified in the Draft Prospectus are open for business: However, in respect of announcement of price band and Issue Period, working day shall mean all days, excluding Saturday, Sundays and Public holidays, on which commercial banks in the city as notified in this Draft Prospectus are open for business; In respect to the time period between the Issue closing date and the listing of the specified securities on the stock exchange, working day shall mean all trading days of the Stock Exchanges, excluding Sundays and bank holiday in accordance with SEBI circular bearing reference number SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016;

## TECHNICAL AND INDUSTRY RELATED TERMS

Term	Description
‘BPD’	Business and Planning Development;
‘B2B’	Business to Business
‘CAGR’	Compound Annual Growth Rate
‘CY’	Current Year
‘MoU’	Memorandum of Understanding
‘D2C’	Direct to Consumer
‘FDI’	Foreign Direct Investment
‘F&B’	Food and Beverage
‘FMCG’	Fast-moving consumer goods
‘GVA’	Gross Value Added;
‘IMF’	International Monetary Fund;

## ABBREVIATIONS

Term	Description
‘A/c’	Account;
‘AGM’	Annual General Meeting;
‘AIF’	Alternative Investment Fund as defined in and registered with SEBI under the Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012;
‘AS’, ‘Standards’	‘Accounting’ Accounting Standards as issued by the Institute of Chartered Accountants of India;
‘ASBA’	Applications Supported by Blocked Amount;
‘AY’	Assessment Year;
‘BSE’	BSE Limited;

Term	Description
‘CAGR’	Compound Annual Growth Rate;
‘CAPEX’	Capital Expenditure;
‘Category I Foreign Portfolio Investor(s)’, ‘Category I FPIs’	FPIs who are registered as ‘Category I Foreign Portfolio Investors’ under the SEBI FPI Regulations;
‘Category II Foreign Portfolio Investor(s)’, ‘Category II FPIs’	FPIs who are registered as ‘Category II Foreign Portfolio Investors’ under the SEBI FPI Regulations;
‘CDSL’	Central Depository Services (India) Limited;
‘CEO’	Chief Executive Officer;
‘CFO’	Chief Financial Officer;
‘CII’	Confederation of Indian Industry;
‘CIN’	Company Identification Number;
‘CIT’	Commissioner of Income Tax;
‘Client-ID’	Client identification number of the Applicant’s beneficiary account;
‘Companies Act, 2013’	Unless specified otherwise, this would imply to the provisions of the Companies Act, 2013 (to the extent notified) and /or Provisions of Companies Act, 1956 w.r.t. the sections which have not yet been replaced by the Companies Act, 2013 through any official notification;
‘Companies Act, 1956’	The Companies Act, 1956, as amended from time to time;
‘Companies Act, 2013’	The Companies Act, 2013 published on August 29, 2013 and applicable to the extent notified by MCA till date;
‘Contract Act’	The Indian Contract Act, 1872 as amended from time to time;
‘COVID – 19’	A public health emergency of international concern as declared by the World Health Organization on January 30, 2020 and a pandemic on March 11, 2020;
‘CPI’	Consumer Price Index;
‘CSR’	Corporate Social Responsibility;
‘CST’	Central Sales Tax;
‘CY’	Calendar Year;
‘DIN’	Director Identification Number;
‘DP’	Depository Participant, as defined under the Depositories Act 1996;
‘DP-ID’	Depository Participant’s identification;
‘EBITDA’	Earnings before Interest, Taxes, Depreciation and Amortization;
‘ECS’	Electronic Clearing System;
‘EGM’	Extraordinary General Meeting;
‘EMDEs’	Emerging Markets and Developing Economies;
‘EOU’	Export Oriented Unit;
‘EPS’	Earnings Per Share;
‘FCNR Account’	Foreign Currency Non-Resident Account;
‘FDI’	Foreign Direct Investment;
‘FEMA’	Foreign Exchange Management Act, 1999, read with rules and regulations there under;
‘FEMA Regulations’	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017;
‘FIIs’	Foreign Institutional Investors (as defined under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000) registered with SEBI under applicable laws in India;
‘FPIs’	Foreign Portfolio Investors as defined under the SEBI FPI Regulations;
‘FIPB’	Foreign Investment Promotion Board;
‘FVCI’	Foreign Venture Capital Investors as defined and registered under the SEBI FVCI Regulations;
‘FY’, ‘Fiscal’, ‘Financial Year’	Period of twelve months ended March 31 of that particular year, unless otherwise stated;
‘GDP’	Gross Domestic Product;
‘GoI’, ‘Government’	Government of India;
‘GST’	Goods & Services Tax;
‘GVA’	Gross Value Added;
‘HNIs’	High Net worth Individuals;
‘HUF’	Hindu Undivided Family;
‘IAS Rules’	Indian Accounting Standards, Rules 2015;
‘ICAI’	The Institute of Chartered Accountants of India;
‘ICSI’	Institute of Company Secretaries of India;
‘IFRS’	International Financial Reporting Standards;
‘IMF’	International Monetary Fund;

Term	Description
‘IMPS’	Immediate Payment Service;
‘Indian GAAP’	Generally Accepted Accounting Principles in India;
‘I.T. Act’	Income Tax Act, 1961, as amended from time to time;
‘IPO’	Initial Public Offering;
‘IPR’	Intellectual Property Rights;
‘ISIN’	International Securities Identification Number;
‘ISO’	International Organization for Standardization;
‘KM’, ‘Km’, ‘km’	Kilo Meter;
‘LMT’	Lakh Metric Tonnes;
‘Merchant Banker’	Merchant Banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992;
‘MoF’	Ministry of Finance, Government of India;
‘MICR’	Magnetic Ink Character Recognition;
‘MOF’	Ministry of Finance, Government of India;
‘MOU’	Memorandum of Understanding;
‘NA’, ‘N. A.’	Not Applicable;
‘NACH’	National Automated Clearing House;
‘NAV’	Net Asset Value;
‘NECS’	National Electronic Clearing Service;
‘NEFT’	National Electronic Fund Transfer;
‘No.’	Number;
‘NOC’	No Objection Certificate;
‘NPCI’	National Payments Corporation of India;
‘NRE Account’	Non-Resident External Account;
‘NRIs’	A person resident outside India, who is a citizen of India or a person of Indian origin, and shall have the meaning ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2000;
‘NRO Account’	Non-Resident Ordinary Account;
‘NSDL’	National Securities Depository Limited;
‘p.a.’	per annum;
‘P/E Ratio’	Price/Earnings Ratio;
‘PAC’	Persons Acting in Concert;
‘PAN’	Permanent Account Number;
‘PAT’	Profit After Tax;
‘PBT’	Profit Before Tax;
‘PLR’	Prime Lending Rate;
‘POA’	Power of Attorney;
‘RBI’	Reserve Bank of India;
‘R&D’	Research and Development;
‘Regulation S’	Regulation S under the U.S. Securities Act;
‘RoC’	Registrar of Companies;
‘RoE’	Return on Equity;
‘RoNW’	Return on Net Worth;
‘Rupees’, ‘Rs.’, ‘₹’	Rupees, the official currency of the Republic of India;
‘RTGS’	Real Time Gross Settlement;
‘SCRA’	Securities Contract (Regulation) Act, 1956, as amended from time to time;
‘SCRR’	Securities Contracts (Regulation) Rules, 1957, as amended from time to time;
‘SEBI’	Securities and Exchange Board of India;
‘SEBI Act’	Securities and Exchange Board of India Act, 1992;
‘SEBI AIF Regulations’	Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012;
‘SEBI FII Regulations’	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995;
‘SEBI FPI Regulations’	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019;
‘SEBI FVCI Regulations’	Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000;
‘SEBI VCF Regulations’	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996, as repealed by the SEBI AIF Regulations;
‘Sec.’	Section;
‘Securities Act’	U.S. Securities Act of 1933, as amended;
‘SICA’	Sick Industrial Companies (Special Provisions) Act, 1985;
‘SME’	Small and Medium Enterprises;



Term	Description
'STT'	Securities Transaction Tax;
'TAN'	Tax Deduction and Collection Account Number;
'TIN'	Taxpayers Identification Number;
'TDS'	Tax Deducted at Source;
'UPI'	Unified Payments Interface;
'US', 'United States'	United States of America;
'USD', 'US\$', '\$'	United States Dollar, the official currency of the Unites States of America;
'VAT,	Value Added Tax;
'VCF', 'Venture Capital Fund'	Foreign Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI under applicable laws in India;
'Willful Defaulter(s)'	Willful defaulter as defined under Regulation 2(1)(III) of the SEBI (ICDR) Regulations;

***Notwithstanding the foregoing:***

- In the section titled "Main Provisions of the Articles of Association" beginning on page 209 of the Draft Prospectus, defined terms shall have the meaning given to such terms in that section;*
- In the chapters titled "Summary of Offer Documents" and "Our Business" beginning on page 19 and 83 respectively, of the Draft Prospectus, defined terms shall have the meaning given to such terms in that section;*
- In the section titled "Risk Factors" beginning on page 23 of the Draft Prospectus, defined terms shall have the meaning given to such terms in that section;*
- In the chapter titled "Statement of Tax Benefits" beginning on page 71 of the Draft Prospectus, defined terms shall have the meaning given to such terms in that section;*
- In the chapter titled "Management's Discussion and Analysis of Financial Conditions and Results of Operations" beginning on page 149 of the Draft Prospectus, defined terms shall have the meaning given to such terms in that section.*

## CERTAIN CONVENTIONS, PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

### CERTAIN CONVENTIONS

All references to 'India' contained in this Draft 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 GoI, central or state, as applicable.

Unless otherwise specified, any time mentioned in this Draft Prospectus is in Indian Standard Time ("IST").

Unless indicated otherwise, all references to a year in this Draft Prospectus are to a calendar year.

In this Draft Prospectus, the terms "we", "us", "our", the "Company", "our Company", "SCP", "Sonalis Consumer Products Limited" and, unless the context otherwise indicates or implies, refers to Sonalis Consumer Products Limited. In this Draft Prospectus, unless the context otherwise requires, all references to one gender also refers to another gender and the word "Lac / Lakh" means "one hundred thousand", the word "million (mn)" means "Ten Lac / Lakh", the word "Crore" means "ten million" and the word "billion (bn)" means "one hundred crore". In this Draft Prospectus, any discrepancies in any table between total and the sum of the amounts listed are due to rounding-off.

### FINANCIAL DATA

Unless stated otherwise, the financial data included in this Draft Prospectus are extracted from the Financial Statements, for the period ended December 31, 2022 and for the Financial Year 2022 of our Company, prepared in accordance with the applicable provisions of the Companies Act, Indian GAAP and restated in accordance with SEBI (ICDR) Regulations and Guidance Note on 'Reports in Company Prospectus (Revised 2019)' issued by ICAI, as stated in the report of our Statutory Auditor, as set out in the section titled 'Restated Financial Statements' beginning on page 128 of this Draft Prospectus.

In this Draft 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 percentage figures have been rounded off to two decimal places.

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 12 (twelve) month period ended on March 31 of that year. Unless stated otherwise, or the context requires otherwise, all references to a 'year' in this Draft Prospectus are to a calendar year.

There are significant differences between Indian GAAP, IFRS and US GAAP. Our Company has not attempted to quantify their impact on the financial data included herein and urges you to consult your own advisors regarding such differences and their impact on our Company's financial data. Accordingly, to what extent, the financial statements included in this Draft Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices / Indian GAAP. Any reliance by persons not familiar with Indian Accounting Practices on the financial disclosures presented in this Draft 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' beginning on page 23, 83 and 148 respectively, of this Draft Prospectus, and elsewhere in this Draft Prospectus have been calculated on the basis of the Restated Financial Statements of our Company.

### CURRENCY, UNITS OF PRESENTATION AND EXCHANGE RATES

All references to 'Rupees', 'Rs.' or '₹' are to Indian Rupees, the official currency of the Republic of India. All references to 'US\$' or 'US Dollars' or 'USD' are to United States Dollars, the official currency of the United States of America.

This Draft Prospectus may contain conversions of certain US Dollar and other currency amounts into Indian Rupees that have been presented solely to comply with the requirements of the SEBI Regulations. These conversions should not be construed as a representation that those US Dollar or other currency amounts could have been, or can be converted into Indian Rupees, at any particular rate.

## **DEFINITIONS**

For definitions, please refer the section titled '*Definitions and Abbreviations*' beginning on page 5 of this Draft Prospectus. In the section titled '*Description of Equity Shares and Terms of Articles of Association*' beginning on page 209 of this Draft Prospectus, defined terms have the meaning given to such terms in the Articles of Association.

## **INDUSTRY AND MARKET DATA**

Unless stated otherwise, the industry and market data and forecasts used throughout this Draft 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 but that their accuracy and completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Further, the extent to which the industry and market data presented in this Draft 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 we conduct our business, and methodologies and assumptions may vary widely among different industry sources.

## FORWARD LOOKING STATEMENTS

All statements contained in this Draft Prospectus that are not statements of historical fact constitute forward-looking statements. All statements regarding our expected financial condition and results of operations, business, plans and prospects are forward-looking statements. These forward-looking statements include statements with respect to our business strategy, our revenue and profitability, our projects and other matters discussed in this Draft Prospectus regarding matters that are not historical facts. Investors can generally identify forward-looking statements by the use of terminology such as 'aim', 'anticipate', 'believe', 'expect', 'estimate', 'intend', 'objective', 'plan', 'project', 'may', 'will', 'will continue', 'will pursue', 'contemplate', 'future', 'goal', 'propose', 'will likely result', 'will seek to' or other words or phrases of similar import. All forward looking statements (whether made by us or any third party) are predictions and are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

Forward-looking statements reflect our current views with respect to future events 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.

Further, the actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes pertaining to FMCG industry, consumer products in India where we have our businesses 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 and overseas which have an impact on our business activities or investments, the monetary and fiscal policies of India and other jurisdictions in which we operate, inflation, deflation, unanticipated volatility 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, changes in competition in our industry and incidence of any natural calamities and/or acts of violence. Other important factors that could cause actual results to differ materially from our expectations include, but are not limited to, the following:

- Uncertainty in relation to continuing effect of the COVID-19 pandemic on our business and operations;
- Changes in laws and regulations relating to the sectors/areas in which we operate;
- Increased competition in Agro products;
- Increase in price and material component and fluctuations in our operating cost;
- Disruption in our manufacturing facilities;
- Shortage of, and price increases in, materials and skilled and unskilled employee, and inflation in key supply market;
- Failure to comply with environmental, labour, health and safety laws and regulations may affect our business;
- Factors affecting FMCG industry;
- Our ability to successfully implement our growth strategy and expansion plans;
- Our ability to meet our further capital expenditure requirements;
- Fluctuations in operating costs;
- Our ability to attract and retain qualified personnel;
- Conflict of interest with affiliated companies, the promoter group and other related parties;
- General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
- Changes in government policies and regulatory actions that apply to or affect our business;
- Inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
- The occurrence of natural disasters or calamities;

- Our inability to maintain or enhance our brand recognition;
- The availability of finance on favorable terms for our business and for our customers; and
- Changes in consumer demand.

For further discussions of factors that could cause our actual results to differ, please refer the sections titled '*Risk Factors*', '*Our Business*' and '*Management's Discussion and Analysis of Financial Position and Results of Operations*' beginning on pages 23, 83 and 148, respectively of this Draft Prospectus, respectively.

By their nature, certain risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Forward-looking statements speak only as of this Draft Prospectus and are not a guarantee of future performance.

Our Company, our Directors, our officers, the Lead Manager, and their respective affiliates or associates do not have any obligation to, and do not intend 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 requirements, our Company and the Lead Manager will ensure that investors in India are informed of material developments until such time as the grant of listing and trading approvals by the stock exchange.

In accordance with the SEBI ICDR Regulations, our Company will ensure that Investors in India are informed of material developments from the date of filing of the Prospectus until such time as the grant of listing and trading permission by the Stock Exchange for the Equity Shares allotted pursuant to this Issue.



## SECTION II – SUMMARY OF THE OFFER DOCUMENT

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The following is a general summary of the terms of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Draft Prospectus, including the sections entitled 'Risk Factors', 'Industry Overview', 'Outstanding Litigation and Material Developments', 'Our Promoters and Promoter Group', 'Restated Financial Statements', 'Objects of the Issue', 'Our Business', 'Issue Procedure' and 'Description of Equity Shares and Terms of Articles of Association' beginning on pages 23, 73, 156, 108, 128, 64, 83, 181, and 209, respectively.

### PRIMARY BUSINESS AND THE INDUSTRY

#### SUMMARY OF OUR BUSINESS

Our history and lineage traces back to Ms. Sonali Nilesh Kocharekar and Ms. Smita Shashikant Shah, both avid health aware foodies, who savoured nutritious snacks in the compact form of Nutri -Bars and healthy Indian trail mixes. They created a line of nutritious bars and snacks that are made out of various Nuts, Seeds, Flours, Healthy oil and various spices under the brand name of "Appetite Food".

Our diversified product portfolio enables us to cater to a wide range of taste preferences and consumer segments, including children, youth and adults. Our products in the Nutri-Bars and Laddu (Indian Snacks), are primarily targeted at the youth and Adults while our other products are for all consumer segments. Our diversified product portfolio is therefore, relatively less susceptible to shifts in consumer preferences, market trends and risks of operating in a particular product segment.

We manufacture range of products under the private labelling arrangement and contract manufacturing arrangements with our customers.

We are producing quality snacks with the following objectives:

- Supply of quality snacks at an affordable price;
- Providing healthy and nutrition snacks with wide range of option; and
- Combining the rich Indian food culture with advance method of making of snacks in more healthy way.

We are one of the snack production and processing company in Mumbai. We have also established marketing network with wholesalers and retailers spread over in Maharashtra, Gujarat and Goa. All the Products are manufactured under supervised environment.

For detailed information on our business activities, please refer to section titled "Our Business" on page 83 of this Draft Prospectus.

#### OVERVIEW OF INDUSTRY IN WHICH THE COMPANY IS OPERATING

The snack industry is expanding fast, with the snacks market in India growing multi fold year on year. Snack market hyper-growth has led to hyper-competition among snacks companies, which now focus on innovative product development, ramping up a distribution network, and price promotions to stay ahead of the game. Snacks also act as impulse purchases for consumers for snacks foods available at retail shops serve as snacks whenever you shop for groceries or purchase snacks from convenience stores. And snacks manufacturers create new snacks products by making slight changes in ingredients, packaging, shape, or form of an existing snacks product.

The snacks industry in India is growing faster than snacks growth, and snacks market size and snack revenue growth are expected to increase by 25% yearly. The snacks industry has seen tremendous growth, with snacks manufacturers investing more in snacks research and development, new product development, branding of snacks products, expansion into more unique markets, etc. Many new snacks food startups have also come up during the past few years that have opened up snacks manufacturing opportunities for professionals and entrepreneurs.

Snacks industry comes under Fast-moving consumer goods (FMCG) sector is India's fourth-largest sector with household and personal care accounting for 50% of FMCG sales in India. Growing awareness, easier access and changing lifestyles have been the key growth drivers for the sector. The urban segment (accounts for a revenue share of around 55%) is the largest contributor to the overall revenue generated by the FMCG sector in India. However, in the last few years, the FMCG market has grown at a faster pace in rural India compared to urban India. Semi-urban and rural segments are growing at a rapid pace and FMCG products account for 50% of the total rural spending.

For detailed overview of our industry, please refer section titled "Industry Overview" on page 73 of this Draft Prospectus.

#### NAME OF THE PROMOTERS

Our Company is promoted by Ms. Sonali Nilesh Kocharekar and Ms. Smita Shashikant Shah.

For detailed information on our Promoters and Promoter Group, please refer to section titled “Our Promoters and Promoter Group” on page 121 of this Draft Prospectus.

## ISSUE SIZE

### Fresh Issue

Public Issue of 9,44,000 Equity Shares to be issued by our Company for cash at an Issue Price of ₹ [●] (including a premium of ₹ [●]) aggregating to ₹ [●] Lakhs, of which 52,000 Equity Shares will be reserved for subscription by Market Maker to the Issue. The Issue less Market Maker Reservation Portion i.e. Net Issue of 8,92,000 Equity Shares. The Issue and the Net Issue will constitute 47.22% and 44.62%, respectively of the post-Issue paid-up Equity Share capital of our Company.

### Offer for Sale

There is no offer for sale, as our Company is making only a Fresh Issue.

## OBJECTS OF THE ISSUE

The Gross Proceeds are proposed to be used in accordance with the details provided in the following table:

#	Particulars	Amount (₹ in Lakhs) *	% of Net Proceeds
1	Working Capital Requirements	180.00	[●]
2	General Corporate Purposes	[●]	[●]
3	Issue Expenses	[●]	[●]
	<b>Total Proceeds from the Issue</b>	[●]	[●]

\*Subject to finalization of basis of allotment

Note: The amount utilized for general corporate purposes shall not exceed 25% of the Gross Proceeds from the Issue.

For detailed information on the “Objects of the Issue”, please refer on page 64 of this Draft Prospectus.

## AGGREGATE PRE-ISSUE SHAREHOLDING OF THE PROMOTERS AND THE PROMOTER GROUP AS A PERCENTAGE OF THE PAID-UP SHARE CAPITAL OF THE COMPANY

The aggregate equity shareholding and the percentage of pre-Issue Equity Share capital of our Promoters and the Promoter Group as a percentage of the paid-up share capital of the Company as on the date of this Draft Prospectus is set forth below:

Sr. No.	Name of the Shareholder	No. of Equity Shares	Percentage of the pre-Issue Equity Share Capital
<b>A)</b>	<b>Promoters</b>		
1	Ms. Sonali Nilesh Kocharekar	3,84,274	36.42%
2	Ms. Smita Shashikant Shah	3,84,273	36.42%
	<b>Total – A</b>	<b>7,68,547</b>	<b>72.85%</b>
<b>B)</b>	<b>Promoter Group</b>		
1	Mr. Shashikant Chimanlal Shah	2,750	0.26%
2	Mr. Shivang Shashikant Shah	120	0.01%
3	Mr. Gajanan Chavan	5	0.00%
	<b>Total – B</b>	<b>2,875</b>	<b>0.27%</b>
	<b>Grand Total</b>	<b>7,71,422</b>	<b>73.12%</b>

## SUMMARY OF RESTATED FINANCIAL STATEMENTS

The table below sets forth a summary of the Restated Financial Statements for the period ended December 31, 2022 and for the Financial Year 2022:

(₹ in Lakhs)

Particulars	For the period ended December 31, 2022	FY 2022
Issued, subscribed and fully paid-up share capital	105.50	5.00
Net Worth	349.21	5.00
Revenue from Operations	420.47	–
Profit After Tax	68.45	–

Particulars	For the period ended December 31, 2022	FY 2022
Earnings Per Share (Basic and Diluted)	10.08	–
Net Asset Value Per Equity Share	33.10	–
Total Borrowings	5.41	–

#### QUALIFICATIONS OF THE AUDITORS WHICH HAVE NOT BEEN GIVEN EFFECT TO IN THE RESTATED FINANCIAL STATEMENTS

Our Statutory Auditor has not made any qualifications in the examination report that have not been given effect to in the Restated Financial Statements.

#### SUMMARY OF OUTSTANDING LITIGATION

Name of Entity	Criminal Proceedings	Tax Proceedings	Statutory or Regulatory Proceedings	Disciplinary actions by the SEBI or Stock Exchanges against our Promoters	Material Civil Litigations	Aggregate amount involved (₹)
<b>Company</b>						
By the Company	Nil	Nil	Nil	Nil	Nil	Nil
Against the Company	Nil	Nil	Nil	Nil	Nil	Nil
<b>Directors</b>						
By the Directors	Nil	Nil	Nil	Nil	Nil	Nil
Against the Directors	Nil	2*	Nil	Nil	Nil	3,656
<b>Promoters</b>						
By the Promoters	Nil	Nil	Nil	Nil	Nil	Nil
Against the Promoters	Nil	Nil	Nil	Nil	Nil	Nil
<b>Subsidiaries</b>						
By Subsidiaries	NA	NA	NA	NA	NA	NA
Against Subsidiaries	NA	NA	NA	NA	NA	NA
<b>Group Companies</b>						
By Group Companies	NA	NA	NA	NA	NA	NA
Against Group Companies	NA	NA	NA	NA	NA	NA

\*Two demand notices received from Income Tax Department for the Assessment Year 2004-05 and 2010, of a sum of Rs. 3,656 (Rupees Three Thousand Six Hundred Fifty-Six only) to one of our Director, Mr. Prakash Premkumar Jhangiani.

For further details, in relation to the legal proceedings involving our Company, our Directors, and our Promoters, please refer to the section titled 'Outstanding Litigation and Material Development' and 'Risk Factors' beginning on page 156 and 23 respectively of this Draft Prospectus.

#### RISK FACTORS

An investment in the Equity Shares involves a high degree of risk. Potential Investors should carefully consider all the information in this Draft Prospectus and are advised to read the section titled 'Risk Factors' beginning on page 23 of this Draft Prospectus, including the risks and uncertainties, before making/ taking an investment decision in our Equity Shares.

In making an investment decision prospective investor must rely on their own examination of our Company and the terms of this issue including the merits and risks involved. The risks described in the said sections are relevant to the industry our Company is engaged in, our Company and our Equity Shares. Any potential investor in, and subscriber of, the Equity Shares should also pay particular attention to the fact that we are governed in India by a legal and regulatory environment in which some material respects may be different from that which prevails in other countries.

For further details, please refer the section titled 'Risk Factors' beginning on page 23 of this Draft Prospectus.

#### SUMMARY OF CONTINGENT LIABILITIES OF OUR COMPANY

There is no contingent liabilities for the year ended December 31, 2022, and for FY 2022. For further details, please refer to the section titled 'Restated Financial Statements' beginning on page 128 of this Draft Prospectus.

## SUMMARY OF RELATED PARTY TRANSACTIONS

Particulars	Nature of Transaction	For the period ended on December 31, 2022	For the year ended on March 31, 2022
<b>A. Key Managerial Person</b>			
Sonali Nilesh Kocharekar	Directors Remuneration	NA <sup>#</sup>	–
Smita Shashikant Shah	Directors Remuneration	NA <sup>#</sup>	–
Prakash Premkumar Jhangiani	Directors Remuneration	NA <sup>#</sup>	–
<b>A. Key Managerial Person</b>			
Sonali Nilesh Kocharekar	Loan from Director	–	–
Smita Shashikant Shah	Loan from Director	–	–
Prakash Premkumar Jhangiani	Loan from Director	–	–
<b>B. Transactions with entities wherein Key Managerial Personnel have significant influence:</b>	NA	–	–

<sup>#</sup> Ms. Sonali Kocharekar, Ms. Smita Shah and Mr. Prakash Jhangiani has suggested to forgo the remuneration to be paid to them from April 1, 2022 to June 30, 2023 considering the growing stage of the Company. The same has been considered by the Board and approved in the Board Meeting dated January 25, 2023

For further details of related party transactions, please refer to the section titled 'Restated Financial Statements' beginning on page 128 of this Draft Prospectus.

## FINANCING ARRANGEMENTS

There have been no financing arrangements whereby our Promoters, members of the Promoter Group, our Directors and their relatives have financed the purchase by any other person of the Equity Shares 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 Prospectus.

## WEIGHTED AVERAGE PRICE AT WHICH THE SHARES WERE ACQUIRED BY THE PROMOTERS IN THE ONE YEAR PRECEDING THE DATE OF THIS DRAFT PROSPECTUS

The weighted average price at which Equity Shares were acquired by the Promoters in the one year preceding the date of this Draft Prospectus is:

Name of the Promoter	No. of Equity Shares acquired	Weighted average price (Per Equity Share)
Ms. Sonali Nilesh Kocharekar	3,84,274	25.42
Ms. Smita Shashikant Shah	3,84,273	25.42

The average cost of acquisition of Equity Shares by our Promoters have been calculated by taking into account the amount paid by them to acquire and Shares allotted to them [as reduced by amount received on sell of shares i.e., net of sale consideration is] divided by net quantity of shares acquired.

For further details, refer the section titled 'Capital Structure' beginning on page 53 of this Draft Prospectus.

## AVERAGE COST OF ACQUISITION OF SHARES OF THE PROMOTERS

The average cost of acquisition of Equity Shares acquired by the Promoters as on the date of this Draft Prospectus is:

Name of the Promoter	No. of Equity Shares held	Average cost of acquisition per Equity Share
Ms. Sonali Nilesh Kocharekar	3,84,274	25.42
Ms. Smita Shashikant Shah	3,84,273	25.42

\*As certified by SSRV & Associates, Chartered Accountants, by way of their certificate dated March 24, 2023.

## DETAILS OF PRE-IPO PLACEMENT

Our Company has not made any pre-IPO placement. Further, our Company does not contemplate any issuance or placement of Equity Shares from the date of this Draft Prospectus until the listing of the Equity Shares.

## SHARES ISSUED FOR CONSIDERATION OTHER THAN CASH IN LAST ONE YEAR

Except mentioned herein below, our Company has not issued any equity shares for consideration other than cash during the last one year.

Date of Allotment	Name of Allottees	Equity Shares Allotted	No. of Equity Shares
May 17, 2022	Sonali Nilesh Kocharekar	64,348	1,28,695
	Smita Shashikant Shah	64,347	
July 15, 2022	Sonali Nilesh Kocharekar	2,96,426	592852
	Smita Shashikant Shah	2,96,426	

For further details, refer the chapter titled 'Capital Structure' beginning on page 53 of this Draft Prospectus.

## SPLIT/ CONSOLIDATION OF EQUITY SHARES IN THE LAST ONE YEAR

Our Company has not undertaken any split or consolidation of Equity Shares during the last one year from the date of this Draft Prospectus.

## SECTION III – RISK FACTORS

*An investment in Equity Shares involves a high degree of risk. Potential investors should carefully consider all the information in the Draft Prospectus, including the risks and uncertainties described below, before making an investment in the Equity Shares. The risk factors set forth below do not purport to be complete or comprehensive in terms of all the risk factors; and additional risks and uncertainties, not currently known to us or that we currently do not deem material may also adversely affect our business, results of operations, cash flows and financial condition. If any or some combination of the following risks, or other risks that are not currently known or believed to be adverse, actually occur, our business, results of operations and financial condition could suffer, the trading price of, and the value of your investment in, our Equity Shares could decline, and you may lose all or part of your investment. 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 and financial condition could suffer, the price of our Equity Shares could decline, and you may lose all or part of your investment. Additionally, our business operations could also be affected by additional factors that are not presently known to us or that we currently consider as immaterial to our operations.*

*In order to obtain a complete understanding of our Company and our business, prospective investors should read this section in conjunction with ‘Our Business’, ‘Industry Overview’, ‘Management’s Discussion and Analysis of Financial Position and Results of Operations’ and ‘Restated Financial Statements’ beginning on pages 83, 73, 149, and 128 respectively, as well as the other financial and statistical information contained in this Draft Prospectus.*

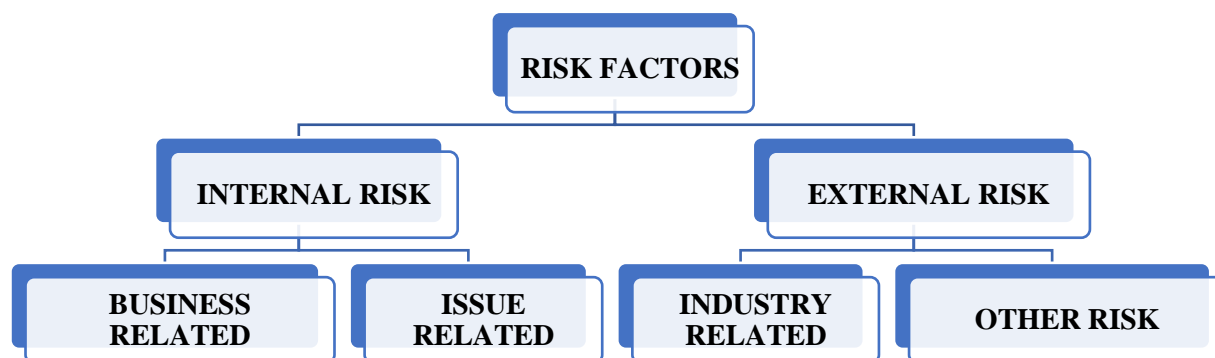
*This Draft Prospectus also contains forward-looking statements that involve risks and uncertainties. Our results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including events described below and elsewhere in this Draft Prospectus. Unless otherwise stated, the financial information used in this section is derived from and should be read in conjunction with restated financial statements of our Company prepared in accordance with the Companies Act, 2013 and restated in accordance with the SEBI (ICDR) Regulations, including the schedules, annexure and notes thereto.*

### MATERIALITY

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

1. Some events may have material impact quantitatively;
2. Some events may have material impact qualitatively instead of quantitatively;
3. Some events may not be material individually but may be found material collectively;
4. Some events may not be material at present but may be having material impact in future.

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



### INTERNAL RISK FACTORS

#### A. Business Related

1. *We require several approvals, NOCs, licenses, registrations and permits in the ordinary course of our business. Some of the approvals are required to be transferred in the name of “Sonalis Consumer Products Limited” from “Appetite Food” pursuant to change of name under which the products were transferred to our Company and any failure or delay in obtaining the same*



*in a timely manner may adversely affect our operations.*

We require several approvals, licenses, registrations and permits in ordinary course of our business. Additionally, we need to apply for renewal of approvals which expire, from time to time, as and when required in the ordinary course. Also, we were carrying our business under the Partnership Firm in the name of “Appetite Food” till May 15, 2022. After incorporation of our Company under the Companies Act, 2013 on March 15, 2022, and acquiring the Appetite Food through the Business Transfer Agreement dated May 15, 2022. Our Company is in the process of transferring all the approvals taken in the name of Appetite Foods in new name of our Company. In case we fail to transfer/obtain the same in name of the Company the same may adversely affect our business or we may not be able to carry our business. Any failure to apply and obtain the required approvals, licenses, registrations or permits, or any suspension or revocation of any of the approvals, licenses, registrations and permits that have been or may be issued to us, could result in delaying the operations of our business, which may adversely affect our business, financial condition, results of operations and prospects. For more information, see chapter “Government and Other Statutory Approvals” on page 160 of this Draft Prospectus.

- 2. We are required to obtain licenses and approvals under several legislations including the FSS Act and the relevant rules and regulations, the Fire Safety and Services Act and the S&E Acts. Our inability to obtain or renew such permits, approvals and licenses in the ordinary course of our business may adversely affect our business, financial condition and results of operations.***

We are required to obtain various licenses and approvals under several legislations from time to time including the FSS Act. Fire Services & Safety Act and the relevant rules and regulations, and the S&E Acts. These approvals, licenses, registrations and permits are subject to several conditions and are primarily valid for a specific period. For example, licenses granted the FSS Act for manufacturing facilities are typically granted for a period of five years and we are required to renew such licenses after such period. However, in some cases, these licenses could have been granted for shorter period as well. These licenses contain certain terms and conditions which are required to be complied with throughout the period of the license. We cannot assure you that we shall be able to obtain or renew such licenses or be able to continuously meet such conditions specified in such licenses or be able to prove compliance with such conditions to statutory authorities, which may lead to cancellation, revocation or suspension of relevant consents/permits/licenses/approvals. We cannot assure you that we shall be able to obtain such licenses or approvals on a timely manner or at all which may affect the timelines or the operations of our facilities. Further, the relevant authorities may also initiate penal actions against us, restrain our operations, impose fines/penalties or initiate legal proceedings for inability to obtain approvals in a timely manner or at all. Any such failure or delay in obtaining such consents, approvals, permits and licenses may affect our ability to continue our operations, which may in turn have an adverse effect on our business, financial condition and results of operations.

- 3. The Company is dependent on few numbers of customers and suppliers for sales and purchase from top customers and Top suppliers. Loss of any of these large customer and supplier will significantly affect our revenues and profitability.***

Our top 6 customers contribute to 59.66% of our revenue from operations for the period ended December 31, 2022 and our top 7 suppliers contribute to 73.75% of our purchases for the period ended December 31, 2022. The loss of a significant client or supplier would have a material adverse effect on our financial results. We cannot assure you that we can maintain the historical levels of business from these clients or that we will be able to replace these clients in case we lose any of them.

Furthermore, major events affecting our clients, such as bankruptcy, change of management, mergers and acquisitions could adversely impact our business. If any of our major clients becomes bankrupt or insolvent, we may lose some or all of our business from that client and our receivable from that client would increase and may have to be written off, adversely impacting our income and financial condition.

- 4. The land and premises for our processing units are taken on lease by third Party. If we are unable to renew existing leases or relocate operations on commercially reasonable terms, there may be an adverse effect on our business, financial condition, result of operations and cash flows.***

Our processing units are not owned by us. One of our processing unit located at Unit 16, Ground Level, Loft & Basement, Sethia Industrial Estate, Tungareshwar Phata, Vasai East, Palghar, Thane – 410208 has been leased out to us pursuant to a short-term lease agreement dated June 28, 2022 entered into with our Company. The said agreement is expiring on June 30, 2025. Building is leased and the plant and machinery is installed and owned by us.

Any event of disagreement between the parties to the lease agreements, or non-renewal of the lease agreements could result in cessation of processing activity, which could materially affect the business and impact the financial condition of our Company. Further, if we are unable to receive any approval relating to this premises, we may suffer a disruption in carrying out the processing operations.

Further, upon expiration of the aforesaid lease agreement, we shall be required to re-negotiate the terms and conditions on which the agreement is to be renewed. In the event that this agreement is not renewed on commercially acceptable terms or at all, we may

suffer a disruption in carrying out the processing operations due to the closure of the plant/s. If alternative premises are not available at the same or similar costs, size or locations, our business, financial condition and results of operations may be adversely affected.

For further details, please refer to the section titled 'Our Business' beginning on page 83 of this Draft Prospectus.

5. ***Our business involves usage of manpower and any unavailability of our employees or shortage of contract labour or any strikes, work stoppages, increased wage demands by workmen or changes in regulations governing contractual labour may have an adverse impact on our cash flows and results of operations.***

Our business involves usage of manpower and we are dependent on the availability of our permanent employees and the supply of a sufficient pool of labourers. Unavailability or shortage of such a pool of workmen or any strikes, work stoppages, increased wage demands by workmen or changes in regulations governing contractual labour may have an adverse impact on our cash flows and results of operations. We may not be able to secure the required number of labourers required for the timely execution of our functions for a variety of reasons including, but not limited to, possibility of disputes with sub-contractors, strikes, less competitive rates. We are subject to laws and regulations relating to employee welfare and benefits such as minimum wage, working conditions, employee insurance, and other such employee benefits and any changes to existing labour legislations, including upward revision of wages required by such state governments to be paid to such contract labourers, limitations on the number of hours of work or provision of improved facilities, such as food or safety equipment, may adversely affect our business and results of our operations. Further, there can be no assurance that disruptions in our business will not be experienced if there are strikes, work stoppages, disputes or other problems with sub-contractors or contract labourers deployed at our projects. This may adversely affect our business and cash flows and results of operations.



6. ***We are in the process of applying for the registration of our Product logo in our name. If we fail to obtain registration our brand building efforts may be hampered which might lead to adverse effect on our business.***

Our Company is currently using the logo which is not yet registered in the name of our Company. We are in the process to apply for the registration of the trademark with the respective authorities. If we are unable to get the same registered with the trademark authorities then, our Company may not be able to successfully enforce or protect our intellectual property rights and obtain statutory protections available under the Trademarks Act, 1999, as otherwise available for registered trademarks in future could have a material adverse effect on our business and goodwill, which in turn could adversely affect our results of operations. For further details, please refer to section titled "Government and Other Approvals" on page 160 of this Draft Prospectus.

7. ***Any contamination or deterioration of our products and Services could result in legal liability, damage our reputation and adversely affect our business prospects and consequently our financial performance.***

We are subject to various contamination related risks which typically affect our food products, including risks posed by the following:

- product tampering;
- low shelf life of certain of our products;
- ineffective storage of finished goods as well as raw materials;
- product labelling errors;
- non-maintenance of high food safety standards;
- contamination of our products during processing; and
- wastage of certain products during transportation.

The risk of contamination or deterioration of our products exists at each stage of the life cycle of our products such as sourcing of raw materials, production and delivery of the final products. Sourcing, storage and delivery of the raw materials poses significant risk in relation to contamination and deterioration in quality. Packaging, storage and delivery of our products to our consumers and the storage and shelving of our products until final consumption by consumers are also subject to such contamination and deterioration risks. While we follow stringent quality control processes and quality standards at each stage of the production cycle such as conducting sampling tests to ensure that the colour, odour, taste, appearance and nutrients of the raw materials, comply with our requirements or regulatory requirements or standards set by our consumers in the export markets, maintain our facilities and machinery, and conduct our manufacturing operations in compliance with applicable food safety standards, laws and regulations and our own internal policies, and though we have, in the past, not materially suffered due to any of the aforementioned, we cannot assure that our products will not be contaminated or suffer deterioration in the future. We cannot assure that contamination and deterioration of our products or raw materials will not occur during the transportation, and distribution due to ineffective storage facilities or any other reasons including factors unknown to us or beyond our control. If our products or raw materials are found to be amongst others, spoilt, contaminated, adulterated, tampered with, incorrectly labelled or reported to be associated with any such incidents, we may be forced to recall our products from the market and we could incur criminal or civil

liability for any adverse medical condition or other damage resulting from consumption of such products by consumers which we may not be able to fully recover from our suppliers or insurance coverages. We may also be subject to liabilities arising out of such violations under the provisions of the Food Safety and Standards Act, 2006 (“FSS Act”) along with relevant rules and regulations.

Though, we have not been subject to such incidents in the past, however, we may be subject to such an event in the future, which may have a material adverse effect on our reputation, business and financial condition.

**8. *Our Company has not taken any insurance which may expose our company from potential losses to which we may be subject to risk and this may have a material effect on our business and financial condition.***

Our Company has not taken any insurance policy related to our registered office, manufacturing facilities and the properties that we operate our operations of our Company. Any unforeseen situation or any liability will not compensate due to absence of Insurance policy. Further, our business involves risks which may adversely affect our profitability, including failure of systems and employee frauds. We cannot assure you that the operation of our business will not be affected by any of the incidents listed above or by other factors. In addition, in the future, we may not be able to maintain insurance of the types or at levels which we deem necessary or adequate or at rates which we consider reasonable. The occurrence of an event for which we are not adequately or sufficiently insured or the successful assertion of one or more large claims against us that exceed available insurance coverage, or changes in our insurance policies (including premium increases or the imposition of large deductible or co-insurance requirements), could have an effect on our business, results of operations, financial condition and cash flows.

**9. *Any failure to maintain effective quality control systems for our supply chain could have a material adverse effect on our business, reputation, results of operations and financial condition.***

The quality and safety of the product we manufacture is critical to our success. Maintaining consistent product quality and preventing food contamination and other health hazards depends significantly on the effectiveness of the quality control systems, policies and guidelines that our suppliers have in place, which in turn depends on a number of factors, including the design of the quality control systems and employee implementation and compliance with those quality control systems. There can be no assurance that the quality control systems that our suppliers have in place will prove to be effective. Any significant failure or deterioration of these quality control systems could have a material adverse effect on our business, reputation, results of operations and financial condition and can cause negative publicity that can affect our brand. We could also be subject to civil and/or criminal liability and other regulatory consequences in the event that a health hazard were to be found at our manufacturing place as a result of a failure of the quality control systems that our suppliers have in place, including the spread of any infection or disease. We may be the subject of public interest litigation in India relating to allegations of such hazards, as well as in cases having potential criminal and civil liability filed by regulatory authorities. If such cases are determined against us, there could be an adverse effect on our reputation, business, results of operations and financial condition.

**10. *We face competition in our business from organized and unorganized players, which may adversely affect our business operation and financial condition.***

The market in which our company is doing business is highly competitive on account of both the organized and unorganized players. Players in this industry generally compete with each other on key attributes. Some of our competitors may have longer industry experience and greater financial, technical and other resources, which may enable them to react faster in changing market scenario and remain competitive. Moreover, the unorganized sector offers their products at highly competitive prices which may not be matched by us and consequently affect our volume of sales and growth prospects. Growing competition may result in a decline in our market share and may affect our margins which may adversely affect our business operations and our financial condition.

**11. *There have been instances in the past where we have not made certain regulatory filings with the RoC and there were certain instances of discrepancies in relation to certain statutory filings and corporate records of our Company:***

There have been some instances of non-filings or incorrect filing or delays in filing statutory forms with the RoC such as allotment of equity shares, appointment and terms of KMP including the typographical errors in the resolutions and/or RoC filings. Further, reliance has been placed on the management representation to the Lead Manager for some of the instances wherein the Company was unable to locate the challans of forms filed with RoC and hence the Lead Manager has been unable to independently verify such details prior to inclusion. We cannot assure you that regulatory proceedings or actions will not be initiated against us in the future and we will not be subject to any penalty imposed by the competent regulatory authority in this regard. We manage the regulatory compliance by monitoring and evaluating our internal controls and ensuring that we are in compliances with all relevant statutory and regulatory requirements. There can be no assurance that deficiencies in our filings will not arise in future, or that we will be able to implement, or continue to maintain, adequate measures to rectify or mitigate any deficiencies in our internal control. Any inability on our part to adequately detect, rectify any deficiencies in our internal controls may adversely impact our ability to accurately report, or successfully manage, our financial risks and to avoid frauds. As we continue to grow, there can be no

assurance that there will be no other instances of such inadvertent non-compliances with statutory requirements, which may subject us to regulatory action, including monetary penalties, which may adversely affect our business and reputation.

**12. *Our Company may incur penalties or liabilities for non-compliances with certain provisions of the Companies Act and other applicable laws.***

Our Company may incur penalties or liabilities for non-compliance with certain provisions including non-opening of escrow bank account for the private placements of equity shares & non obtaining of valuation report from Registered Valuer and for MGT 14, lapsed / made delay in certain filings and/or erroneous filing/ Non-Filing of eforms, under Company Act applicable w.r.t. conversion of loan and private placement made on July 15, 2022 and September 15, 2022 respectively. Such non compliances/delay Compliances /erroneous filing/ Non-Filing may incur the penalties or liabilities which may affect the results of operations and financial conditions.

**13. *We are dependent on the adequate and timely delivery of quality ingredients, packaging materials and other necessary supplies and if our suppliers fail to provide us with sufficient quality and quantities of ingredients, packaging materials and other necessary supplies, our business, results of operations and financial condition could be adversely affected.***

Our operations are dependent on adequate and timely deliveries of quality ingredients, packaging materials and other necessary supplies that meet our requirements. We depend substantially on approved suppliers from which we purchase ingredients and packaging materials. A failure of our suppliers to provide us with sufficient quantities of ingredients and packaging materials of adequate quality meeting our standards on a timely basis as a result of shortages, interruptions in their own supplies, such as those that could be caused by weather or other conditions, or their failure to retain their certification or otherwise could result in a disruption or delay in supply of the ingredients, packaging materials and other necessary supplies that we require for our products. Although we generally believe there are sufficient numbers of alternative suppliers for our ingredients and packaging materials, shortages or other industry-wide disruptions could occur and we may not be able to obtain replacement ingredients or packaging materials of adequate quality or sufficient quantity on commercially agreeable terms in the open market, which could require us to incur additional cost, which could have an adverse effect on our business, results of operations and financial condition. Most ingredients used in our products are subject to price fluctuations as a result of inflation, seasonality, global supply and demand, weather conditions, demand in local and international markets, fluctuations in currency exchange rates and tax incentives and other factors. We have no control over fluctuations in the price and availability of ingredients, packaging materials or variations in products caused by these factors and they could impact the prices imposed by our suppliers, making the cost of ingredients or packaging materials more expensive for us and increase the prices of our products for our customers, which may reduce demand and therefore affect our overall financial performance. Any increases in the cost of ingredients or packaging materials and other costs including manufacturing cost could have a material adverse effect on our business, results of operations and financial condition. We have no control over fluctuations in the price and availability of ingredients caused by these factors. Although we engage in long-term contracting and undertake other measures to counter act fluctuations in the price of our ingredients and packaging materials, there can be no assurance that we can completely budget for or predict any changes in these prices, which may increase the risk to our business and adversely affect our business, results of operations and financial condition.

**14. *Business Transfer Agreement [“BTA”] executed between M/s Appetite Foods and our Company dated May 15, 2022 contains certain terms and conditions. Inability to effectively service / comply with such terms and conditions, comply with or obtain waivers of some covenants, as the case may be, may adversely affect our business, results of operations and financial conditions:***

Our Promoters were carrying on the business under a partnership firm M/s Appetite Foods which was taken over by our Company vide Business Transfer Agreement dated May 15, 2022. Further the Company may unable to develop the said business effectively or in a profitable manner then it may have an adverse effect on the operation and profitability of the Company. For further details, relating to our history of our company of our company. Please refer to the chapter titled “History and Certain Other Corporate Matters”, “Our Business” and “Financial Statements” on pages 107, 84 and 131. Inability to effectively comply any clauses of BTA agreement, comply with or obtain waivers of certain terms and conditions, as the case may be, may adversely affect our business, results of operations and financial conditions. Also, our Company may face regulatory proceedings w.r.t. to the Receipt / Payment of the Debtors / Creditors taken over etc. Further, the Company has applied or in some cases will apply, for the transition or endorsement of name of the Company on many of the documents, registration, bank account and other documents which are in the name of M/s Appetite Foods. Any delay in the said transition may require the Company to pay any penalty or refusal from any authority of such transition or endorsement which may affect the financial position and operation of our Company.

**15. *We plan to expand into new geographies and may be exposed to significant liability and could lose some or all of our investment in such regions, as a result of which our business, financial condition and results of operations could be adversely affected.***

We plan to expand into new geographies in the future. The risks involved in entering new geographies in India and expanding operations in those areas, may be higher than expected. By expanding into new geographical regions, we may be exposed to significant liability and could lose some or all of our investment in such regions, as a result of which our business, financial condition and results of operations could be adversely affected.

Our third-party manufacturing facilities and procurement operations are concentrated in a few cities and any adverse developments affecting these regions could have an adverse effect on our business, results of operations and financial condition.

Our manufacturing facilities are located at Vasai, Thane region. Since most of our infrastructure, facilities and business operations are currently concentrated in Maharashtra and Goa, any significant social, political or economic disruption, or natural calamities or civil disruptions in these regions, or changes in the policies of the state or local governments of these regions or the Government of India, could require us to incur significant capital expenditure, change our business structure or strategy, which could have an adverse effect on our business, results of operations and financial condition.

**16. *We are dependent on our Promoters, management team, a number of Key Managerial Personnel and persons with technical expertise and the loss of or our inability to attract or retain such persons could adversely affect our business, results of operations and financial condition.***

We are dependent on our Promoters, Directors, senior management and other Key Managerial Personnel as well as persons with technical expertise for setting our strategic business direction and managing our business. Experienced Promoters and senior management team with significant experience in the industry lead us. We believe that the inputs and experience of our Promoters are valuable for the development of our business and operations and the strategic directions taken by our Company. We are also dependent on our Key Managerial Personnel including our business heads for the day-to-day management of our business operations. We cannot assure that we will be able to retain these employees or find adequate replacements in a timely manner, or at all. Our ability to meet continued success and future business challenges depends on our ability to attract, recruit and train experienced, talented and skilled professionals. Competition for individuals with specialized knowledge and experience is intense in our industry. The loss of the services of any key personnel or our inability to recruit or train a sufficient number of experienced personnel or our inability to manage the attrition levels in different employee categories may have an adverse effect on our financial results and business prospects. Further, as we expect to continue to expand our operations, we will need to continue to attract and retain experienced management personnel. If we are unable to attract and retain qualified personnel, our results of operations may be adversely affected.

**17. *General economic and market conditions in India and globally could have a material adverse effect on our business, financial condition, cash flows, results of operations and prospects.***

Our business is highly dependent on economic and market conditions in India. General economic and political conditions in India, such as macroeconomic and monetary policies, industry-specific trends, mergers and acquisitions activity, legislation and regulations relating to the financial and securities industries, household savings rate, investment in alternative financial instruments, upward and downward trends in the market, business and financial sectors, volatility in security prices, perceived lack of attractiveness of the Indian capital markets, inflation, foreign direct investment, consumer confidence, currency and interest rate fluctuations, availability of short term and long-term market funding sources and cost of funding, could affect our business. Global economic and political conditions may also adversely affect the Indian economic conditions. Market conditions may change rapidly and the Indian capital markets have experienced significant volatility in the past. The Indian economy has had sustained periods of high inflation in the recent past. If inflation or real interest rates were to rise significantly, the trends towards increased financial savings might slow down or reverse, our employee costs may increase and the sales of many of our products and services may decline.

**18. *An inability to comply with food safety laws, environmental laws and other applicable regulations in relation to our manufacturing facilities may adversely affect our business, financial condition and results of operations.***

Our business operations, in particular our day-to-day manufacturing operations are subject to a broad range of health, safety and environmental laws and regulations, and violations of these laws and regulations can result in fines, penalties or litigation, which may adversely affect our business, financial condition and results of operations. For instance, the provisions of the Food Safety and Standards Act, 2006 ("FSS Act") and all rules, regulations and subsidiary legislation are applicable to us and our products, which sets forth 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 requirements relating to the license and registration of food. Contravention of the requirement to obtain a license or carry a business without obtaining a license under the FSS Act is punishable with imprisonment for a period of up to three years in ordinary cases and beyond three years in special cases, along with fines. Subsequent contraventions are punishable with twice the punishment during the first conviction and higher monetary and other penalties including cancellation of license. To remain compliant with all laws and regulations that apply to our operations and products, we may be required in the future to modify our operations or make capital improvements. For further details, please refer to the section titled 'Our Business' on page 83 of this Draft Prospectus.

**19. *We have had negative cash flows in the past and it is possible that we may experience negative cash flows in the future:***

The table below sets forth selected information from our statements of cash flows in the periods indicated below:

(₹ in lakhs)

Particulars	Period ended December 31, 2022	FY 2022
Net cash (used in)/ generated from operating activities	(200.14)	–
Net cash (used in)/ generated from investing activities	(15.95)	–
Net cash (used in)/ generated from financing activities	281.03	–
Net increase/ (decrease) in cash and cash equivalents	64.93	5.00
Cash and Cash Equivalents at the beginning of the period	5.00	–
Cash and Cash Equivalents at the end of the period	69.93	5.00

Cash flow of a Company is a key indicator to show the extent of cash generated from operations to meet capital expenditure, pay dividends, repay loans and to make new investments without raising finance from external resources. Any operating losses or negative cash flows could adversely affect our results of operations and financial conditions. If we are not able to generate sufficient cash flows, it may adversely affect our business and financial operations.

For further details please refer chapters titled “Financial Statements” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on pages 128 and 149 respectively.

20. **The Objects of the Issue for which funds are being raised, are based on our management estimates and any bank or financial institution or lead manager or any independent agency has not appraised the same. The deployment of funds in the project is entirely at our discretion, based on the parameters as mentioned in the chapter titles “Objects of the Issue”.**

The fund requirement and deployment, as mentioned in the “Objects of the Issue” on page 64 of this Draft Prospectus is based on the estimates of our management and has not been appraised by any bank or lead manager or financial institution or any other independent agency. These fund requirements are based on our current business plan. We cannot assure that the current business plan will be implemented in its entirety or at all. In view of the highly competitive and dynamic nature of our business, we may have to revise our business strategies, development and other plans resulting in unprecedented financial mismatch and this may adversely affect our revenues and result of operations. The deployment of the funds as stated under chapter “Objects of the Issue” is at the discretion of our Board of Directors and is not subject to monitoring by any external independent agency. Further, we cannot assure that the actual costs or schedule of implementation as stated under chapter “Objects of the Issue” will not vary from the estimated costs or schedule of implementation. Any such variance may be on account of one or more factors, some of which may be beyond our control.

21. **There are certain outstanding legal proceedings pending against our directors. Any adverse outcome in any of these proceedings may adversely affect our profitability and reputation and may have an adverse effect on our results of operations and financial condition.**

Our directors are currently involved in certain tax proceedings in India which are pending at different levels of adjudication before the concerned authority/ forum. We cannot assure you that these tax proceedings will be decided in favour of our directors, as the case may be. Any adverse decision in such proceedings may render us liable to penalties and may have a material adverse effect on our reputation, business, financial condition and results of operations. Additionally, during the course of our business we are subject to risk of litigation in relation to contractual obligations, employment and labour law related, personal injury and property damage, etc.

A classification of these outstanding litigations is given in the following table:

Name of Entity	Criminal Proceedings	Tax Proceedings	Statutory or Regulatory Proceedings	Disciplinary actions by the SEBI or Stock Exchanges against our Promoters	Material Civil Litigations	Aggregate amount involved (₹ in Lakhs)
<b>Directors</b>						
By the Directors	Nil	Nil	Nil	Nil	Nil	Nil
Against the Directors	Nil	2*	Nil	Nil	Nil	3,656

\*Two demand notices received from Income Tax Department for the Assessment Year 2004-05 and 2010, of a sum of Rs. 3,656 (Rupees Three Thousand Six Hundred Fifty-Six only) to one of our Director, Mr. Prakash Premkumar Jhangiani.

For further details, in relation to the legal proceedings involving our Company, our Directors, and our Promoters, please refer to the section titled ‘Outstanding Litigation and Material Development’ and ‘Risk Factors’ beginning on page 156 and 23 respectively of this Draft Prospectus.



**22. *Major fraud lapses of internal control or system failures could adversely impact the company's business.***

Our Company is vulnerable to risk arising from the failure of employees to adhere to approved procedures, system controls, fraud, system failures, information system disruptions, communication systems failure and interception during transmission through external communication channels or networks. Failure to protect fraud or breach in security may adversely affect our Company's operations and financial performance. Our reputation could also be adversely affected by significant fraud committed by our employees, agents, customers or third parties.

**23. *We face intense competition in our businesses, which may limit our growth and prospects. Our Company faces significant competition from other companies.***

We compete on the basis of a number of factors, including execution, depth of product and service offerings, innovation, reputation and price. Our competitors may have advantages over us, including, but not limited to:

- Substantially greater financial resources;
- Longer operating history than in certain of our businesses;
- Greater brand recognition among consumers;
- More diversified operations which allow profits from certain operations to support others with lower profitability. These competitive pressures may affect our business, and our growth will largely depend on our ability to respond in an effective and timely manner to these competitive pressures.

**24. *The LM has relied on declarations, undertakings and affidavits for some of the Directors, Promoter and KMPs to include their details in this Draft Prospectus.***

Some of our Directors, Promoter and KMPs have been unable to trace copies of documents pertaining to their educational qualifications and/or prior professional experiences and have not provided documents of their directorships in other entities. Accordingly, reliance has been placed on signed resume, declarations, undertakings and affidavits furnished by these Directors, Promoters, and KMPs to the Lead Manager to disclose details of their educational qualifications and/or professional experience in this Draft Prospectus. Accordingly, the Lead Manager has been unable to independently verify these details prior to inclusion in this Draft Prospectus. Further, there can be no assurances that our Directors, Promoters, and KMPs will be able to trace the relevant documents or provide accurate and complete details pertaining to the above information in the future, or at all.

**25. *Industry information included in this Draft Prospectus has been derived from publicly available industry reports and/or websites. There can be no assurance that such third-party statistical financial and other industry information is either complete or accurate.***

We have relied on the information from various publicly available industry reports and/or websites for purposes of inclusion of such information in this Draft Prospectus. These reports are subject to various limitations and based upon certain assumptions that are subjective in nature. We have not independently verified data from such industry reports and other sources. Although we believe that the data may be considered to be reliable, their accuracy, completeness and underlying assumptions are not guaranteed and their dependability cannot be assured. While we have taken reasonable care in the reproduction of the information, the information has not been prepared or independently verified by us or any of our respective affiliates or advisors and, therefore, we make no representation or warranty, express or implied, as to the accuracy or completeness of such facts and statistics. Due to possibly flawed or ineffective 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 for other economies and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere.

**26. *Our inability to manage growth could disrupt our business and reduce our profitability. We propose to expand our business activities in coming financial years.***

We expect our future growth to place significant demands on both our management and our resources. This will require us to continuously evolve and improve our operational, financial and internal controls across the organization.

In particular, continued expansion increases the challenges we face in:

- Our ability to acquire and retain clients for our services;
- Services, products or pricing policies introduced by our competitors;
- Capital expenditure and other costs relating to our operations;
- The timing and nature of, and expenses incurred in, our marketing efforts;
- Recruiting, training and retaining sufficient skilled technical and management personnel;
- Adhering to our high quality and process execution standards;
- Maintaining high levels of customer satisfaction;
- Developing and improving our internal administrative infrastructure, particularly our financial, operational, communications, and other internal systems. You should not rely on yearly comparisons of our results of operations as indicators of future

performance. It is possible that in some future periods our results of operations may be below the expectations of public, market analysts and investors. If we are unable to manage our growth it could have an adverse effect on our business, results of operations and financial condition.

**27. *If we are unable to source business opportunities effectively, we may not achieve our financial objectives.***

Our ability to achieve our financial objectives will depend on our ability to identify, evaluate and accomplish business opportunities. To grow our business, we will need to hire, train, supervise and manage new employees and to implement systems capable of effectively accommodating our growth. However, we cannot assure you that any such employees will contribute to the success of our business or that we will implement such systems effectively. Our failure to source business opportunities effectively could have a material adverse effect on our business, financial condition and results of operations. It is also possible that the strategies used by us in the future may be different from those presently in use. No assurance can be given that our analyses of market and other data or the strategies we use or plans in future to use will be successful under various market conditions.

**28. *Brand recognition is important to the success of our business, and our inability to build and maintain our brand names will harm our business, financial condition and results of operation.***

Brand recognition is important to the success of our business. Establishing and maintaining our brand name “Appetite Food” in the industry or for people relying on services is critical to the success of the customer acquisition process of our business. Although, we expect to allocate significant amount of resources, financial and otherwise, on establishing and maintaining our brands, no assurance can be given that our brand names will be effective in attracting and growing user and client base for our businesses or that such efforts will be cost-effective, which may negatively affect our business, financial condition and results of operations.

**29. *We have a limited number of raw material suppliers. Any kind of refusal from them can hinder our production resulting into loss of our clients.***

There are a very few suppliers from which raw materials like seeds, nuts, grains can be procured, and they may allocate their resources to service other clients ahead of us. While we believe that we could find additional suppliers to supply these raw materials, any failure of our suppliers to deliver these raw materials in the necessary quantities or to adhere to delivery schedules or specified quality standards and technical specifications would adversely affect our production processes and our ability to deliver orders on time and at the desired level of quality. As a result, we may lose customers which could have a material adverse effect on our business, financial condition and results of operations.

**30. *Delays or defaults in payments from our clients could result into a constraint on our cash flows. The efficiency and growth of our business depends on timely payments received from our clients.***

In the event, our client’s default or delay in making payments and clearing their dues, we may not have adequate resources to fund our business and implement our growth plans. This could have an adverse effect on the results of operations and our financial condition.

**31. *Any reduction in the demand for our products could lead to underutilization of our production capacity. We may also face surplus production of a particular product due to various reasons including inaccurate forecasting of customer requirements, which could adversely affect our business, results of operations, financial condition and cash flows.***

We face the risk that our customers might not place any order or might place orders of lesser than expected size or may even cancel existing orders or make change in their policies which may result in reduced quantities being produced by us. Cancellations, reductions or instructions to delay production (thereby delaying delivery of products produce by us) by customers could adversely affect our results of operations by reducing our sales volume leading to a reduced utilization of our existing capacity. Further, we make significant decisions, including determining the levels of business that we will seek and accept, production schedules, personnel requirements and other resource requirements, based on our estimates of customer orders. The changes in demand for their products (which are in turn produce by us) could reduce our ability to estimate accurately future customer requirements, make it difficult to schedule production and lead to over production and utilization of our production capacity fora particular product. The requirements of our customers are not restricted to one type of product and therefore variations in demand for certain types of products also requires us to make certain changes in our processes thereby affecting our production schedules. This may lead to over production of certain products and under production of some other products resulting in a complete mismatch of capacity and capacity utilization. Any such mismatch leading to over or under utilization of our processing facilities could adversely affect our business, results of operations, financial condition and cash flows.

**32. *Information relating to estimated installed capacities of our processing is based on various assumptions and estimates and actual production may differ significantly from such estimated capacities.***

The requirements of our customers are not restricted to one type of product and therefore variations in demand for certain types of products also requires us to make certain changes in our processing thereby affecting our production schedules. We often increase capacity to meet the anticipated demand of our customers or significantly reduce production of certain products depending on potential orders. Therefore, there could be a significant difference in the installed capacity and the production of our products due to the variety of products that we produce. Certain products require lesser process time whereas certain products require more process time in the same production set-out that we have installed.

Therefore, the information provided in this Draft Prospectus on installed capacities and the data on actual production may differ significantly. For further details, please refer to the section titled 'Our Business' on page 83 of this Draft Prospectus.

**33. *The continuing impact of the COVID-19 pandemic on our business and operations is uncertain and it may be significant and continue to have an adverse effect on our business, operations and our future financial performance.***

In late 2019, COVID-19 emerged and by March 11, 2020 was declared a global pandemic by the World Health Organization. The COVID-19 pandemic has had, and may continue to have, repercussions across local, national and global economies and financial markets. In particular, a number of governments and organizations have revised GDP growth forecasts for 2020 downwards in response to the economic slowdown caused by the spread of COVID-19, and it is possible that the COVID-19 pandemic will cause a prolonged global economic crisis or recession.

The global impact of the COVID-19 pandemic has been rapidly evolving and public health officials and governmental authorities have reacted by taking measures, including in the regions in which we operate, such as prohibiting people from assembling in heavily populated areas, instituting quarantines, restricting travel, issuing lockdown orders and restricting the types of businesses that may continue to operate, 'stay-at-home' orders, and enforcing remote working regulations. These measures have led to a significant decline in economic activities.

No prediction can be made of when any of the restrictions currently in place will be relaxed or when further restrictions will be announced. Although some governments are beginning to ease or lift such restrictions, the impacts from the severe disruptions caused by the effective shutdown of large segments of the global economy remain unknown. On March 14, 2020, India declared COVID-19 as a 'notified disaster' and imposed a nationwide lockdown announced on March 24, 2020. Subsequently, progressive relaxations have been granted for movement of goods and people and cautious re-opening of businesses and offices. The COVID-19 pandemic resulted in some disruptions in the supply of raw materials during the months of March, April and May 2020. The scale of the pandemic and the speed at which the local and global community has been impacted, our quarterly and annual revenue growth rates and expenses as a percentage of our revenues, particularly, in Fiscal 2021, may differ significantly from our historical rates, and our future operating results may fall below expectations. The impact of the pandemic on our business, operations and future financial performance include, but are not limited to the following:

- result in a complete or partial closure of, or disruptions or restrictions on our ability to conduct, our operations and R&D activities, resulting from government action;
- our inability to source key raw materials as a result of the temporary or permanent closure of the facilities of suppliers of our key raw materials;
- a significant percentage of our workforce being unable to work, including because of travel or government restrictions in connection with COVID-19, including stay at home order, which could result in a slowdown in our operations;
- our strategic projects/ proposed products becoming delayed or postponed indefinitely;
- impact our ability to travel, pursue partnerships and other business transactions and delay shipments of our products;
- delays in orders or delivery of orders, which will negatively impact our cash conversion cycle and ability to convert our backlog into cash;
- inability to collect full or partial payments from customers due to deterioration in customer liquidity, including customer bankruptcies or payments to suppliers due to delay in collections or liquidity issue;
- the potential negative impact on the health of our employees, particularly if a significant number of them are afflicted by COVID-19, could result in a deterioration in our ability to ensure business continuity during this disruption

Any resulting financial impact due to the above cannot be reasonably estimated at this time. The extent to which the COVID-19 impacts our business and results will depend on future developments, which are highly uncertain and cannot be predicted, such as new information which may emerge concerning the severity of the coronavirus and the actions taken globally to contain the

coronavirus or treat its impact, among others. In addition, we cannot predict the impact that the COVID-19 pandemic will have on our customers, suppliers and other business partners, and each of their financial conditions; however, any material effect on these parties could adversely impact us. As a result of these uncertainties, the impact may vary significantly from that estimated by our management from time to time, and any action to contain or mitigate such impact, whether government-mandated or opted by us, may not have the anticipated effect or may fail to achieve its intended purpose altogether. Existing insurance coverage may not provide protection for all costs that may arise from all such possible events. As of the date of this Draft Prospectus, there is significant uncertainty relating to the severity of long-term adverse impact of the COVID-19 pandemic on the global economy, global financial markets and the Indian economy, and we are unable to accurately predict the long-term impact of the COVID-19 pandemic on our business.

**34. *We are subject to restrictive covenants under our financing agreements that could limit the flexibility we have to manage our business.***

There are restrictive covenants in the financing agreements that we have entered into, including, but not limited to, requirements that we obtain the prior approval of, or provide notice to, our lenders in connection with certain activities.

Our financing arrangements are secured by our movable assets. Many of our financing agreements also include various conditions and covenants that require us to obtain lender consents prior to carrying out certain activities and entering into certain transactions.

Any failure to service our indebtedness, perform any condition or covenant or comply with the restrictive covenants could lead to a termination of one or more of our credit facilities, acceleration of amounts due under such facilities and cross-defaults under certain of our other financing agreements, any of which may adversely affect our ability to conduct our business and have an adverse effect on our financial condition and results of operations.

**35. *Our business is primarily dependent upon a continuing relationship with dealers/ distributors for sales of our products. Any reduction or interruption in the business of these dealers/ distributors, or a substantial decrease in orders placed by these dealers/distributors may have an adverse impact on the revenues and operations of our Company. Further, we do not have any long-term or exclusive arrangements with dealers or distributors for selling our products.***

We are primarily dependent on dealers/distributors for our business. We have over the years developed a network of distributors and dealers across India. We intend to grow our business by adding new distributors both in existing as well as in new markets.

Due to the nature of our business, we have not entered into any agreement for the sale and distribution of our products. There is no assurance that we will be able to maintain the same levels of business from our existing dealers/ distributors or that we will be able to replace our dealers/ distributor base in a timely manner or at all in the event our existing dealers/distributors do not continue to purchase the products of our Company. The loss of or interruption of work by, a significant number of dealers may have an adverse effect on our revenues and operations.

While we believe that our relationship with these parties has been satisfactory, there are no arrangements that we have entered into with our dealers and distributors, and there is no assurance that they will not place orders with other players in the market. In addition, our dealers and distributors could change their business practices and their payment terms. In an event our dealers and distributors experience delays in placing orders with us or if they do not effectively market our products or market the products of our competitors instead, there could be a material adverse effect on our business forecast, business growth and prospects, financial condition and results of operations.

In addition, our dealers and distributors could change their business practices, such as inventory levels or line of businesses. The inability of our dealers/distributors to meet our payment schedules or unexpected changes in inventory levels or other practices by our dealers/distributors could negatively impact our business, operating cash flows and financial condition. Our inability to maintain our existing distribution network of dealers and distributors or to expand it proportionately with the proposed increase in our manufacturing facilities/capacities, could have a material adverse effect on our sales, business growth and prospects, results of operation and financial condition.

**36. *We are subject to transportation risks.***

An extended interruption in our ability to ship our products, including the unavailability of suitable transporters and delays in the delivery of products, could have a material adverse effect on our business, financial condition and results of operations. Similarly, any extended disruption in the distribution of our products could have a material adverse effect on our business, financial condition and results of operations. While we would attempt to transport our products by alternative means if we were to experience an interruption due to strike, natural disasters or otherwise, we cannot be sure that we would be able to do so or be successful in doing so in a timely and cost-effective manner.

**37. *Our inability to collect receivables and default in payment from our customers could result in the reduction of our profits and affect our cash flows.***

Our operations involve extending credit for extended periods of time to our customers, dealers and distributors in respect of our products, and consequently, we face the risk of non-receipt of these outstanding amounts in a timely manner or at all, particularly in the absence of long-term arrangements with customers, dealers and distributors. Our credit terms vary from 30 days to 180 days for our customers, dealers and distributors. While our customers typically provide us with their commitments, we cannot guarantee that our customers, dealers and distributors will not default on their payments. Our inability to collect receivables from our customers, dealers and distributors in a timely manner or at all in future, could adversely affect our working capital cycle and cash flows.

Macroeconomic conditions could also result in financial difficulties, including insolvency or bankruptcy, for our customers, dealers and distributors, and as a result could cause customers, dealers and distributors to delay payments to us, request modifications to their payment arrangements, that could increase our receivables or affect our working capital requirements, or default on their payment obligations to us. In particular, farmers may be adversely affected by a number of factors beyond their control, such as, severe monsoon, drought or low prices for their crops, which could affect their financial condition and consequently their ability to pay the dealers/ distributors for products that have already been sold to them and used by them. An increase in bad debts or in defaults by our customer, dealers and/ or distributors may compel us to utilize greater amounts of our operating working capital and result in increased interest costs, thereby adversely affecting our results of operations and cash flows.

**38. *A shortage or non-availability of essential utilities such as electricity and water could affect our manufacturing operations and have an adverse effect on our business, results of operations and financial condition.***

Our business operations are heavily dependent on continuous and supply of electricity and water which are critical to our manufacturing operations. While our power requirements are met through local state power grid through interstate open access, we cannot assure you that these will be sufficient and, or, that we will not face a shortage of electricity despite these arrangements. Further, while water is procured through bore wells, any shortage or non-availability of water or electricity could result in temporary shut-down of a part, or all, of our operations at the location experiencing such shortage. Such shut-downs could, particularly if they are for prolonged periods, have an adverse effect on our business, results of operations and financial condition. Moreover, if we are required to operate for extended periods of time on diesel-generator sets or if we are required to source water from third parties, our cost of operations would be higher during such period which could have an adverse impact on our profitability.

**39. *Our inability to identify and understand evolving industry trends and consumer preferences, and to develop new products to meet our customers' demands may adversely affect our business.***

Changes in consumer preferences and industry requirements may render certain of our products less attractive. Our ability to anticipate to successfully develop and introduce new and enhanced products to create new or address yet unidentified needs among our current and potential customers in a timely manner, is a significant factor in our ability to remain competitive. However, there can be no assurance that we will be able to secure the necessary knowledge, through our own research and development or through technical assistance, that will allow us to continue to develop our product portfolio or that we will be able to respond to industry trends by developing and offering cost effective products. We may also be required to make investments in research and development, which may strain our resources and may not provide results that can be monetized. If we are unable to obtain such knowledge in a timely manner, or at all, we may be unable to effectively implement our strategies, and our business and results of operations may be adversely affected.

To compete successfully, we may need to increase the diversity and sophistication of our product portfolio, which may require substantial capital expenditure. In developing such products, we may need to make investments in our manufacturing facilities and/or otherwise in order to support these goods. If we exceed our budgeted capital expenditure and cannot meet the additional capital requirements through operating cash flows and planned financing, we may have to delay our projects which could make us less competitive and lead to customer loss.

If we do not continue to distinguish our products through distinctive features and design, and to continue to build and strengthen our brand recognition, we could lose market share and our revenues and earnings could decline.

**40. *After the completion of the Issue, our Promoters along with the Promoter Group will continue to collectively hold substantial shareholding in our Company.***

As on the date of this Draft Prospectus, our Promoters and members of the Promoter Group held 73.12 % of the share capital of our Company, for details of their shareholding pre and post Issue, see the chapter titled '*Capital Structure*' beginning on page 53

of this Draft Prospectus. After the completion of the Issue, our Promoters along with the Promoter Group will continue to collectively hold substantial shareholding in our Company. Upon listing of the Equity Shares on recognized stock exchanges, our Promoters shall continue to exercise significant influence over our business policies and affairs and all matters requiring Shareholders' approval, including the composition of our Board, the adoption of amendments to our certificate of incorporation, the approval of mergers, strategic acquisitions or joint ventures or the sales of substantially all of our assets, and the policies for dividends, lending, investments and capital expenditures. This concentration of ownership also may delay, defer or even prevent a change in control of our Company and may make some transactions more difficult or impossible without the support of these stockholders. The interests of the Promoters as our controlling shareholder could conflict with our interests or the interests of its other shareholders. We cannot assure that the Promoters will act to resolve any conflicts of interest in our favor and any such conflict may adversely affect our ability to execute our business strategy or to operate our business. For further details in relation to the interests of our Promoters in the Company, please see the section titled '*Our Promoters and Promoter Group*', '*Our Management*' and '*Restated Financial Statements*' beginning on pages 108, 108 and 128 respectively.

**41. *Certain Promoters and Directors are interested in our Company's performance in addition to their remuneration and reimbursement of expenses.***

Certain of our Promoters and Directors are interested in our Company, in addition to regular remuneration or benefits and reimbursement of expenses and such interests are to the extent of their shareholding in our Company, their rights to nominate directors on our Board pursuant to such shareholding and interest received against a loan extended to us, amongst others. We cannot assure that our Promoters and Directors will exercise their rights to the benefit and best interest of our Company. As shareholders of our Company, our Promoters or Directors may take or block actions with respect to our business which may conflict with the best interests of the Company or that of minority shareholders. For further information on the interest of our Promoters and Directors of our Company, other than reimbursement of expenses incurred or normal remuneration or benefits, see the chapter titled '*Our Management*', '*Our Promoters and Promoter Group*' and '*Restated Financial Statements*' beginning on pages 108, 108 and 128, respectively.

**42. *Any future acquisitions, joint ventures, partnerships, strategic alliances, tie-ups or investments could fail to achieve expected synergies and may disrupt our business and harm the results of operations and our financial condition.***

Our success will depend, in part, on our ability to expand our business in response to changing technologies, customer demands and competitive pressures. We have, in the past, explored and continue to explore opportunities on our own, through collaborations, tie-ups, strategic alliances, partnerships or joint venture across the country and regions of focus. In some circumstances, we may also decide to acquire, or invest in, complementary technologies instead of internal development. While we are currently evaluating opportunities and negotiating with several potential partners, we have not entered into any definitive agreements. The risks we face in connection with acquisitions may include integration of product and service offerings, co-ordination of R&D and marketing functions and the diversion of management's time and focus from operating our business to addressing challenges pertaining to acquisition and integration. Our failure to address these risks or other problems encountered in connection with our acquisitions and investments could result in our failure to realize the anticipated benefits of these acquisitions or investments, cause us to incur unanticipated liabilities, and harm our business generally.

**B. Issue Related**

**43. *There are restrictions on daily/weekly/monthly movements in the price of the Equity Shares, which may adversely affect a shareholders' ability to sell, or the price at which it can sell, Equity Shares at a particular point in time.***

Once listed, we would be subject to circuit breakers imposed by all stock exchanges in India, which does not allow transactions beyond specified increases or decreases in the 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 circuit breakers is set by the stock exchanges based on the historical volatility in the price and trading volume of the Equity Shares. The stock exchanges do not inform us of the percentage limit of the circuit breaker in effect from time to time and may change it without our knowledge. This circuit breaker limits the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, no assurance may be given regarding your ability to sell your Equity Shares or the price at which you may be able to sell your Equity Shares at any particular time.

**44. *The price of our Equity Shares may be volatile, or an active trading market for our Equity Shares may not develop.***

Prior to this Issue, there has been no public market for our Equity Shares. Our Company and the Lead Manager have appointed [●] as Designated Market maker for the equity shares of our Company. However, the trading price of our Equity Shares may fluctuate after this Issue due to a variety of factors, including our results of operations and the performance of our business, competitive conditions, general economic, political and social factors, the performance of the Indian and global economy and significant developments in India's fiscal regime, volatility in the Indian and global securities market, performance of our competitors, the Indian Capital Markets and Finance Industry, changes in the estimates of our performance or recommendations



by financial analysts and announcements by us or others regarding contracts, acquisitions, strategic partnership, joint ventures, or capital commitments.

**45. *Our Company's management will have flexibility in utilizing the Net Proceeds from the Issue. The deployment of the Net Proceeds from the Issue is not subject to any monitoring by any independent agency.***

Our Company intends to primarily use the Net Proceeds towards working capital requirement, general corporate purposes and for issue expenses as described in the section titled '**Objects of the Issue**' on page 64 of this Draft Prospectus. In terms of SEBI (ICDR) Regulations, we are not required to appoint a monitoring agency since the Issue size is not in excess of ₹100 crores. The management of our Company will have discretion to use the Net Proceeds from the Issue, and investors will be relying on the judgment of our Company's management regarding the application of the Net Proceeds from the Issue. Our Company may have to revise its management estimates from time to time and consequently its requirements may change.

The fund requirement mentioned as a part of the objects of the Issue is based on internal management estimates and has not been appraised by any bank or financial institution. This is based on current conditions and is subject to change in light of changes in external circumstances, costs, other financial condition or business strategies. Our actual deployment of funds may be higher than our management estimates and may cause an additional burden on our finance plans, as a result of which, our business, financial condition, results of operations and cash flows could be materially and adversely impacted.

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.

Accordingly, prospective investors in the Issue will need to rely upon our management'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 Issue, our business and financial results may suffer.

**46. *The Issue price of our Equity Shares may not be indicative of the market price of our Equity Shares after the Issue and the market price of our Equity Shares may decline below the issue price and you may not be able to sell your Equity Shares at or above the Issue Price.***

The Issue Price of our Equity Shares is [●]. This price is being based on numerous factors. For further information, please refer to the section titled '**Basis for Issue Price**' beginning on page 69 of this Draft Prospectus and may not be indicative of the market price of our Equity Shares after the Issue. The market price of our Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price. We cannot assure that you will be able to sell your Equity Shares at or above the Issue Price. Among the factors that could affect our share price include without limitation the following;

- Half yearly variations in the rate of growth of our financial indicators, such as earnings per share, net income and revenues;
- Changes in revenue or earnings estimates or publication of research reports by analysts;
- Speculation in the press or investment community;
- General market conditions; and
- Domestic and international economic, legal and regulatory factors unrelated to our performance.

**47. *In the event there is any delay in the completion of the Issue, there would be a corresponding delay in the completion of the objects / schedule of implementation of this Issue which would in turn affect our revenues and results of operations.***

The funds that we receive would be utilized for the objects of the Issue as has been stated in the section '**Objects of the Issue**' beginning on page 64 of this Draft Prospectus. The proposed schedule of implementation of the objects of the Issue is based on our management's estimates. If the schedule of implementation is delayed for any other reason whatsoever, including any delay in the completion of the Issue, we may have to revise our business, development and working capital plans resulting in unprecedented financial mismatch and this may adversely affect our revenues and results of operations.

## **EXTERNAL RISK FACTORS**

**48. *Political, economic or other factors that are beyond our control may have an adverse effect on the Industry and on our business and results of operations.***

Global economic and political factors that are beyond our control, influence forecasts and directly affect performance of the industry. These factors include interest rates, rates of economic growth, fiscal and monetary policies of governments, change in regulatory framework, inflation, deflation, foreign exchange fluctuations, consumer credit availability, consumer debt levels, unemployment trends, terrorist threats and activities, worldwide military and domestic disturbances and conflicts, and other matters that influence consumer confidence, spending and tourism.

**49. Any changes in the regulatory framework could adversely affect our operations and growth prospects.**

Our Company is subject to various regulations and policies. For details see section titled '**Key Industry Regulations and Policies**' beginning on page 83 of this Draft Prospectus. We are also subject to corporate, taxation and other laws in effect in India, which require continued monitoring and compliance. These laws and regulations and the way in which they are implemented and enforced may change. There can be no assurance that future legislative or regulatory changes will not have any adverse effect on our business, results of operations and financial condition.

**50. Malpractices by some players in the industry affect overall performance of emerging Companies.**

The industry in which our Company operates is subject to risk associated with unethical business practices such as unethical marketing, dishonest advertising, questionable pricing practices, inaccurate claims with regards to safety and efficacy of the product etc. Consumers' attitude toward the industry today is dominated by a sense of mistrust, paving a way for regulators for stricter entry barriers and introduction of code of conducts; making the entire industry environment regulated and controlled. Malpractices by some players in the industry affects the overall performance of the emerging Companies like us as the industry norms are applicable to all at parity. Any unethical business practices by any industry player or intermediary may impact our business and results of operations.

**51. Civil disturbances, extremities of weather, regional conflicts and other political instability may have adverse effects on our operations and financial performance.**

Certain events that are beyond our control such as earthquake, fire, floods and similar natural calamities may cause interruption in the business undertaken by us. Our operations and financial results and the market price and liquidity of our equity shares may be affected by changes in Indian Government policy or taxation or social, ethnic, political, economic or other adverse developments in or affecting India.

**52. Significant portion of our revenue is derived from business in India and a decrease in economic growth in India could cause our business to suffer.**

We derive significant portion of our revenue from operations in India and, consequently, our performance and the quality and growth of our business are dependent on the health of the economy of India. However, the Indian economy may be adversely affected by factors such as adverse changes in liberalization policies, social disturbances, terrorist attacks and other acts of violence or war, natural calamities or interest rates changes, which may also affect the microfinance industry. Any such factor may contribute to a decrease in economic growth in India which could adversely impact our business and financial performance.

**53. We are subject to risks arising from interest rate fluctuations, which could adversely impact our business, financial condition and operating results.**

Changes in interest rates could significantly affect our financial condition and results of operations. If the interest rates for our existing or future borrowings increase significantly, our cost of servicing such debt will increase. This may negatively impact our results of operations, planned capital expenditures and cash flows.

**54. You will not be able to sell immediately on Indian Stock Exchanges any of the Equity Shares you purchase in the Issue until the Issue receives appropriate trading permissions.**

The Equity Shares will be listed on the Stock Exchange. Pursuant to Indian regulations, certain actions must be completed before the Equity Shares can be listed and trading may commence. We cannot assure that the Equity Shares will be credited to investor's demat accounts, or that trading in the Equity Shares will commence, within the time periods specified in this Draft Prospectus. Any failure or delay in obtaining the approval would restrict your ability to dispose of the Equity Shares. In accordance with section 40 of the Companies Act 2013, in the event that the permission of listing the Equity Shares is denied by the stock exchanges, we are required to refund all monies collected to investors.

**55. There is no guarantee that the Equity Shares issued pursuant to the Issue will be listed on the SME Platform of BSE in a timely manner, or at all.**

In accordance with Indian law and practice, permission for listing and trading of the Equity Shares issued pursuant to the Issue 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 issuing of Equity Shares to be submitted. There could be a failure or delay in listing the Equity Shares on the SME Platform of BSE. Any failure or delay in obtaining the approval would restrict your ability to dispose of your Equity Shares.

**56. *Taxes and other levies imposed by the Government of India or other State Governments, as well as other financial policies and regulations, may have a material adverse impact on our business, financial condition and results of operations.***

Taxes and other levies imposed by the Central or State Governments in India that impact our industry include customs duties, excise duties, sales tax, income tax and other taxes, duties or surcharges introduced on a permanent or temporary basis from time to time. There can be no assurance that these tax rates/slab will continue in the future. Any changes in these tax rates/slabs could adversely affect our financial condition and results of operations.

**57. *Our Promoter will continue to retain majority shareholding in us after the Issue, which will allow them to exercise significant influence over us and potentially create conflicts of interest and will potentially allow them to determine the outcome of matters submitted to shareholders.***

As of the date of this Draft Prospectus, our Promoter Directors, holds 72.84 % of the issued, subscribed and paid-up Equity Share capital of our Company. Following completion of this Issue, our Promoter Directors, shall hold a significant percentage of our Equity Share capital. Our Promoter Directors will therefore have the ability to influence our operations including the ability to approve significant actions at Board and at shareholders' meetings such as issuing Equity Shares, paying dividends, and determining business plans and mergers and acquisitions strategies. The trading price of our Equity Shares could be adversely affected if potential new investors are disinclined to invest in us because they perceive disadvantages to a large shareholding being concentrated in our Promoter. For details of our Equity Shares held by our Promoter, please refer the section titled '**Capital Structure**' beginning on page 53 of this Draft Prospectus.

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

We have not declared dividends on our Equity Shares since our incorporation. We may retain all our future earnings, if any, for use in the operations and expansion of our business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and will depend on factors that our Board deem relevant, including among others, our results of operations, financial condition, cash requirements, business prospects and any other financing arrangements. Accordingly, realization of a gain on shareholders' investments may largely depend upon the appreciation of the price of our Equity Shares. There can be no assurance that our Equity Shares will appreciate in value. For details of our dividend history, please refer the section titled '**Dividend Policy**' beginning on page 127 of this Draft Prospectus.

**59. *If there is any change in laws or regulations, including taxation laws, or their interpretation, such changes may significantly affect our financial statements.***

Any change in Indian tax laws could have an effect on our operations. For instance, the Taxation Laws (Amendment) Act, 2019 prescribes certain changes to the income tax rate applicable to companies in India. According to this Act, companies can henceforth voluntarily opt in favor of a concessional tax regime (subject to no other special benefits/exemptions being claimed), which would ultimately reduce the effective tax rate for Indian companies from 34.94% to approximately 25.17%. Any such future amendments may affect our other benefits such as exemption for income earned by way of dividend from investments in other domestic companies and units of mutual funds, exemption for interest received in respect of tax free bonds, and long-term capital gains on equity shares if withdrawn by the statute in the future, and the same may no longer be available to us. Any adverse order passed by the appellate authorities/ tribunals/ courts would have an effect on our profitability.

Due to COVID -19 pandemic, the Government of India also passed the Taxation and Other Laws (Relaxation of Certain Provisions) Act, 2020, implementing relaxations from certain requirements under, amongst others, the Central Goods and Service Tax Act, 2017 and Customs Tariff Act, 1975. Further, the Government of India has announced the union budget for Fiscal 2021, pursuant to which the Finance Act, 2020 ("Finance Act"), has introduced various amendments. As such, there is no certainty on the impact that the Finance Act, 2020 may have on our business and operations or on the industry in which we operate. The Government of India has recently announced the union budget for Fiscal 2022, pursuant to which the Finance Act may undergo various amendments. Our Company cannot predict whether any tax laws or other regulations impacting it will be enacted or predict the nature and impact of any such laws or regulations or whether, if at all, any laws or regulations would have a material adverse effect on the Company's business, financial condition and results of operations. In addition, unfavorable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations including foreign investment laws governing our business, operations and group structure could result in us being deemed to be in contravention of such laws or may require us to apply for additional approvals. We may incur increased costs relating to compliance with such new requirements, which may

also require management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, 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 business in the future.

We cannot predict whether any new tax laws or regulations impacting our services will be enacted, what the nature and impact of the specific terms of any such laws or regulations will be or whether, if at all, any laws or regulations would have an adverse effect on our business.

**60. *Investors may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.***

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India.

A securities transaction tax (“STT”) is levied on and collected by an Indian stock exchange on which equity shares are sold. Any gain realized on the sale of listed equity shares held for more than 12 months may be subject to long term capital gains tax in India at the specified rates depending on certain factors, such as STT is paid, the quantum of gains and any available treaty exemptions. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of STT, on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Further, any gain realized on the sale of listed equity shares held for period of 12 months or less will be subject to short term capital gains tax in India. Capital gains arising from the sale of the Equity Shares will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the sellers resident. Generally, Indian tax treaties do not limit India’s ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares.

The Government of India has recently announced the union budget for Fiscal 2022, pursuant to which the Finance Act may undergo various amendments. There is no certainty on the impact that the Finance Act may have on our business and operations or on the industry in which we operate. We cannot predict whether any amendments made pursuant to the Finance Act would have an adverse effect on our business, financial condition and results of operations. Unfavorable 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. For instance, the Supreme Court of India has in a decision clarified the components of basic wages which need to be considered by companies while making provident fund payments, which resulted in an increase in the provident fund payments to be made by companies. Any such decisions in future or any further changes in interpretation of laws may have an impact on our results of operations. Uncertainty in the applicability, 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 impact the viability of our current businesses or restrict our ability to grow our businesses in the future.

Our Company cannot predict whether any tax laws or other regulations impacting it will be enacted, or predict the nature and impact of any such laws or regulations or whether, if at all, any laws or regulations would have a material adverse effect on our Company’s business, financial condition, results of operations and cash flows.

**61. *Our future funds requirements, in the form of fresh 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 fresh issue of 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, then it may substantially increase our interest burden and decrease our cash flows, thus prejudicially affecting our profitability and ability to pay dividends to our shareholders.

**62. *QIBs and Non-Institutional Investors are not permitted to withdraw or lower their Application (in terms of quantity of Equity Shares or the Application Amount) at any stage after submitting the Application.***

Pursuant to the SEBI (ICDR) Regulations, QIBs and Non-Institutional Investors are not permitted to withdraw or lower their Application (in terms of quantity of Equity Shares or the Application Amount) at any stage after submitting the Application. Retail Individual Investors can revise their Applications during the Issue Period and withdraw their Application until Issue Closing Date. While our Company is required to complete Allotment pursuant to the Issue within six Working Days from the Issue Closing Date, events affecting the Applicant’ decision to invest in the Equity Shares, including material adverse changes in international or national monetary policy, financial, political or economic conditions, our business, cash flows, results of operation or financial condition may arise between the date of submission of the Bid and Allotment. Our Company may complete the Allotment of the

Equity Shares even if such events occur, and such events limit the Applicants' ability to sell the Equity Shares Allotted pursuant to the Issue or cause the trading price of the Equity Shares to decline on listing.

**63. *Foreign investors are subject to foreign investment restrictions under Indian laws that may limit our ability to attract foreign investors, which may have a material adverse impact on the market price of the Equity Shares.***

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. For further details, please refer to the section titled '**Restrictions on Foreign Ownership of Indian Securities**' beginning on page 206 of this Draft Prospectus. If the transfer of shares is not in compliance with such pricing guidelines or reporting requirements or falls under any of the exceptions referred to above, 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. Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020, issued by the DPIIT, Government of India, investments where the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, can only be made through the Government approval route, as prescribed in FDI Policy. These investment restrictions shall also apply to subscribers of offshore derivative instruments. We cannot assure you that any required approval from the RBI or any other governmental agency can be obtained on any particular terms or at all.

**64. *Financial instability in other countries may cause increased volatility in Indian financial markets.***

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, particularly emerging market countries in Asia. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy. Financial disruptions may occur again and could impact our business, our future financial performance and the prices of the Equity Shares.

## SECTION IV – INTRODUCTION

### THE ISSUE

#### PRESENT ISSUE IN TERMS OF THIS DRAFT PROSPECTUS

<b>Equity Shares Issued<sup>(1)</sup></b> Present Issue of Equity Shares by our Company <sup>(2)</sup>	9,44,000 (Nine Lakh Forty-Four Thousand) Equity Shares of face value of ₹ 10.00/- each for cash at a price of ₹ [●] per Equity Share aggregating to ₹ [●] Lakhs
<i>Of which</i>	
<b>Issue reserved for Market Maker</b>	52,000 Equity Shares of face value of ₹ 10.00/- (Rupees Ten Only) each for cash at a price of ₹ [●] per Equity Share aggregating to ₹ [●] Lakhs
<b>Net Issue to the public</b>	8,92,000 Equity Shares of face value of ₹10.00/- each at a price of ₹ [●] per Equity Share aggregating to ₹ [●] Lakhs
	<i>Of which<sup>(3)</sup></i>
	4,48,000 Equity Shares of face value of ₹10.00/- each at a price of ₹ [●] per Equity Share aggregating to ₹ [●] Lakhs will be available for Investors of up to ₹ 2,00,000/- (Rupees Two Lakhs Only)
<b>Equity Shares outstanding prior to this Issue</b>	10,55,000 (Ten Lakhs Fifty-Five Thousand) Equity Shares of face value of ₹10.00/- each (Rupees Ten Only)
<b>Equity Shares outstanding after this Issue</b>	19,99,000 (Nineteen Lakhs Ninety-Nine Thousand) equity shares of face value of ₹10.00/- each (Rupees Ten Only)
<b>Objects of the Issue</b>	Please refer the section titled ' <i>Objects of the Issue</i> ' beginning on page 64 of this Draft Prospectus.

- (1) *This Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, as amended from time to time. For further details, please see the section titled 'Issue Information' beginning on page 162 of this Draft Prospectus;*
- (2) *The present Issue has been authorized pursuant to a resolution of our Board dated September 10, 2022 and vide a special resolution passed under clause (c) of Sub-Section (1) of 62 of the Companies Act, 2013 at an Extra-ordinary general meeting of our shareholders held with a shorter notice on September 15, 2022;*
- (3) *Since the present Issue is a fixed price issue, the allocation in the Net Issue to the public category shall be made as per the requirements of Sub-Regulation (2) of Regulation 253 of the SEBI (ICDR) Regulations, as amended from time to time:*
- a) *Minimum 50.00% (Fifty Percent) to Retail Individual Investors; and*
  - b) *Remaining to:*
    - (i) *Individual applicants other than Retail Individual Investors; and*
    - (ii) *Other Investors including corporate bodies or institutions, irrespective of the number of Equity Shares applied for;*

*The unsubscribed portion in either of the categories specified in clauses (a) or (b) above may be allocated to the Applicants in the other category.*

*If the Retail Individual Investor category is entitled to more than 50.00% (Fifty Percent) on proportionate basis, accordingly the Retail Individual Investor shall be allocated that higher percentage. For further details regarding the Issue Structure and Procedure, please refer to the section titled 'Issue Structure' and "Issue Procedure" beginning on page 178 and 181 respectively of this Draft Prospectus.*



## SUMMARY OF FINANCIAL STATEMENTS

The following tables set forth summary of financial information is derived from Restated Financial Statements for the period ending December 31, 2022 and the Financial Year 2022. These financial statements have been prepared in accordance with the Indian GAAP, the Companies Act and the SEBI (ICDR) Regulations.

The summary financial information presented below should be read in conjunction with the sections and notes mentioned therein entitled under 'Management's Discussion and Analysis of Financial Conditions and Results of Operations' and 'Restated Financial Statement' beginning on page 148 and 128, respectively of this Draft Prospectus.

### ANNEXURE – A: RESTATED STATEMENT OF ASSETS AND LIABILITIES

(₹ in Lakhs)

Particulars	Note No.	As at December 31, 2022	As at March 31, 2022
<b>Equity and Liabilities</b>			
<b>Shareholders' Funds</b>		<b>349.21</b>	<b>5.00</b>
Share Capital	<b>A.1</b>	105.50	5.00
Reserves & Surplus	<b>A.2</b>	243.71	–
<b>Non-Current Liabilities</b>		<b>5.41</b>	–
Long-Term Borrowings	<b>A.3</b>	5.41	–
Other Non-Current Liabilities		–	–
Long-Term Provisions		–	–
Deferred Tax Liabilities (Net)		–	–
<b>Current Liabilities</b>		<b>295.61</b>	–
Short Term Borrowings		–	–
Trade Payable:	<b>A.4</b>	83.88	–
(A) total outstanding dues of micro enterprises and small enterprises; and		83.88	–
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		–	–
Other Current Liabilities	<b>A.5</b>	187.22	–
Short Term Provisions	<b>A.6</b>	24.05	–
<b>Total</b>		<b>649.77</b>	<b>5.00</b>
<b>Assets</b>			
<b>Non-Current Assets</b>		<b>15.68</b>	–
Property, Plant and Equipment		–	–
Tangible Assets	<b>A.7</b>	15.68	–
Capital Work In Progress		–	–
Intangible Assets		–	–
Non-Current Investments		–	–
Deferred Tax Assets		–	–
Long Term Loans & Advances		–	–
Non-Current Investments		–	–
Other Non-Current Assets		–	–
<b>Current Assets</b>		–	–
Current Investments		–	–
Inventories	<b>A.8</b>	298.74	–
Trade Receivables	<b>A.9</b>	27.44	–
Cash and Cash Equivalents	<b>A.10</b>	69.93	5.00
Short-Term Loans and Advances	<b>A.11</b>	232.85	–
Other Current Assets	<b>A.12</b>	5.12	–
<b>Total</b>		<b>649.77</b>	<b>5.00</b>

**ANNEXURE – B: RESTATED STATEMENT OF PROFIT AND LOSS**

(₹ in Lakhs)

Particulars	Note No.	For the period ended	
		December 31, 2022	March 31, 2022
<b>Revenue:</b>			
Revenue from Operations	<b>B.1</b>	420.47	–
Other Income		0.01	–
<b>Total Revenue</b>		<b>420.47</b>	–
<b>Expenses:</b>			
Cost of Material Consumed	<b>B.2</b>	578.01	–
Purchase of Stock in Trade		–	–
Change in Inventories of Finished Goods, WIP & Stock in Trade	<b>B.3</b>	(298.74)	–
Employees Benefit Expenses	<b>B.4</b>	6.96	–
Finance costs	<b>B.5</b>	0.14	–
Depreciation and Amortization	<b>B.6</b>	0.27	–
Other expenses	<b>B.7</b>	41.34	–
<b>Total Expenses</b>		<b>327.97</b>	–
<b>Profit Before Exceptional and Extraordinary Items and Tax</b>		<b>92.50</b>	–
Exceptional Items		–	–
<b>Profit Before Extraordinary Items and Tax</b>		<b>92.50</b>	–
Extraordinary Items		–	–
<b>Profit Before Tax</b>		<b>92.50</b>	–
<b>Tax Expense:</b>		<b>24.05</b>	
Current Tax		24.05	–
Deferred Tax		–	–
<b>Profit (Loss) for the period from continuing operations</b>		<b>68.45</b>	–
<b>Earning per equity share in Rs.:</b>			
(1) Basic		10.08	–
(2) Diluted		10.08	–

**ANNEXURE – C: RESTATED STATEMENT OF CASH FLOW**

(₹ in Lakhs)

Particulars	For the period ended	
	December 31, 2022	March 31, 2022
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit/ (Loss) before tax	<b>92.50</b>	–
Adjustments for:		
Depreciation	0.27	–
Interest Expenditure	0.14	–
<b>Operating profit before working capital changes</b>	<b>92.91</b>	–
Movements in working capital:		
(Increase)/Decrease in Inventories	(298.74)	–
(Increase)/Decrease in Trade Receivables	(27.44)	–
(Increase)/Decrease in Short Term Loans & Advances	(232.85)	–
(Increase)/Decrease in Other Current Assets	(5.12)	–
Increase/(Decrease) in Trade Payables	83.88	–
Increase/(Decrease) in Other Current Liabilities	187.22	–
Increase/(Decrease) in Short Term Provision	24.05	–
<b>Cash generated from operations</b>	<b>(176.09)</b>	–
Income tax paid during the year	(24.05)	–
<b>Net Cash from Operating Activities (A)</b>	<b>(200.04)</b>	–
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(15.95)	–
(Increase)/Decrease in Long Term Loans & Advances	–	–
Increase in Other Non-Current Assets	–	–
<b>Net Cash from Investing Activities (B)</b>	<b>(15.95)</b>	–
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Issue of Share Capital	100.50	5.00
Increase/(Decrease) in Long Term Borrowings	5.41	–
Proceeds from Securities Premium	175.26	–
Interest Paid	(0.14)	–
<b>Net Cash From Financing Activities (C)</b>	<b>281.03</b>	<b>5.00</b>
<b>Net Increase in Cash and Cash Equivalents (A+B+C)</b>	<b>64.93</b>	<b>5.00</b>
<b>Cash and Cash Equivalents at the Beginning of the Year</b>	<b>5.00</b>	-
<b>Cash and Cash Equivalents at the End of the Year</b>	<b>69.93</b>	<b>5.00</b>

## SECTION V – GENERAL INFORMATION

Our Company was incorporated as ‘Sonalis Consumer Products Limited’ pursuant to a Certificate of Incorporation dated March 15, 2022 issued by the Registrar of Companies, Central Registration Centre, as a Public Company under the provisions of the Companies Act, 2013. The Corporate Identification Number of our Company is U15490MH2022PLC378461. We acquired the running business of the Partnership Firm, M/s. Appetite Food pursuant to the Business Transfer Agreement dated May 15, 2022.

For details of changes in name and registered offices of our Company, please refer to the section titled ‘History and Certain Other Corporate matters’ beginning on page 105 of this Draft Prospectus.

### BRIEF INFORMATION OF OUR COMPANY AND THE ISSUE

#### Registered Office and Corporate Office of our Company

CIN	U15490MH2022PLC378461
Registration Number	378461
Date of incorporation	March 15, 2022
Registered Office Address	Unit No. 16, Ground Level, Loft & Basement Sethia Industrial Estate, Tungareshwar Phata Vasai East Palghar Thane, Maharashtra- 410208, India.
Corporate Office	NA
Company Category	Company limited by Shares
Company Sub Category	Non-Government company
Telephone number	+91 98676 11444
Fax number	Not Applicable
Email-ID	<a href="mailto:cs@appetitefood.in">cs@appetitefood.in</a>
Website	<a href="http://www.appetitefood.in">www.appetitefood.in</a>

#### Registrar of Companies

Address	Registrar of Companies, Mumbai, 100, Everest, Marine Drive, Mumbai-400002, Maharashtra., India.
Telephone number	022-22812627
Fax number	NA
Email-ID	<a href="mailto:roc.mumbai@mca.gov.in">roc.mumbai@mca.gov.in</a>
Website	<a href="http://www.mca.gov.in">http://www.mca.gov.in</a>

#### Designated Stock Exchange

Our Company proposed to list its Equity Shares on the SME Platform of BSE Limited located at 25th Floor, P. J. Towers, ,Dalal Street, Mumbai Maharashtra 400001, Maharashtra, India.

#### Issue Information

Issue Opening Date	[●]
Issue Closing Date	[●]

### BOARD OF DIRECTORS OF OUR COMPANY

Our Company’s Board comprises of the following Directors:

Name	DIN/PAN	Age	Designation	Residential Address
Sonali Nilesh Kocharekar	09536461	38 years	Managing Director	406/D1, Mahindra Colony, Western Express Highway Road, Near Nancy Depot, Shree Krishna Nagar, Borivali East, Mumbai, Maharashtra, 400066
Prakash Premkumar Jhangiani	07908024	54 years	Director	Room No. A-4, Self Help Co-Operative Housing Society, St. Francis Road, Behind LIC Office Vile Parle West, Mumbai, Maharashtra, 400056

Name	DIN/PAN	Age	Designation	Residential Address
Smita Shashikant Shah	09536462	61 years	Whole Time Executive & Woman Director	D-504, Yudhishtir CHS, L.T.D. Link Road, Near Anand Nagar, N. L. Complex, Dahisar East, Mumbai, Maharashtra, 400068
Sundeep Paul Menezes	09706081	49 years	Independent Director	E-502, Yudhishtir, N.L. Complex, Dahisar East, Mumbai, Maharashtra, 400068
Ekta Anuj Chugani	09708289	39 years	Independent Director	2304, A Wing, Transcon Triumph, VLG, Amboli Hill Road, Andheri West, Mumbai Suburban, Maharashtra - 400053

For further details of the Board of Directors, please refer to the section titled 'Our Management' beginning on page 108 of this Draft Prospectus.

#### Chief Financial Officer and Compliance Officer

Name	Shivang Shashikant Shah
Address	D-504, Yudhistir CHS, Link Road, N. L. Complex, Anand Nagar, Dahisar East, Dahisar, Mumbai, Maharashtra, 400068
Telephone number	+91-8850215043
Email-ID	<a href="mailto:shivang@appetitefood.in">shivang@appetitefood.in</a>
Website	<a href="http://www.appetitefood.in">www.appetitefood.in</a>

Company Secretary: Ms. Ankita Chopra

#### INVESTOR GRIEVANCES

**Investors may contact our Compliance Officer and/ or the Registrar to the Issue and/ or the Lead Manager, in case of any pre-issue or post-issue related problems, such as non-receipt of letters of Allotment, non-credit of allotted Equity Shares in the respective beneficiary account or refund orders, and/ or non-receipt of funds by electronic mode, etc.**

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the Applicant, number of Equity Shares applied for, the Application Amount paid on submission of the Application Form and the bank branch or collection centre where the application was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to the relevant SCSB or the member of the Syndicate if the Application was submitted to a member of the Syndicate at any of the Specified Locations, or the Registered Broker if the Application was submitted to a Registered Broker at any of the Brokers Centres, as the case maybe, quoting the full name of the sole or first Applicant, Application Form number, address of the Applicant, Applicant's DP-ID, Client-ID, PAN, number of Equity Shares applied for, date of Application Form, name and address of the member of the Syndicate or the Designated Branch or the Registered Broker or address of the RTA or address of the Depository Participant, as the case may be, where the Application was submitted, and the ASBA Account number in which the amount equivalent to the Application Amount was blocked. All grievances relating to Applications submitted through the Registered Broker and/or a Stock Broker may be addressed to the Stock Exchange with a copy to the Registrar to the Issue.

#### DETAILS OF KEY INTERMEDIARIES PERTAINING TO THIS ISSUE AND OUR COMPANY

<b>Lead Manager to the Issue</b> Expert Global Consultants Private Limited 1511, RG Trade Tower Netaji Subhash Place, Pitampura, New Delhi – 110 034, India <b>Telephone:</b> 011 4509 8234 <b>Email:</b> ipo@expertglobal.in <b>Website:</b> www.expertglobal.in <b>Investor Grievance Email:</b> compliance@expertglobal.in <b>Contact Person:</b> Mr. Gaurav Jain <b>SEBI Registration Number:</b> INM000012874 <b>CIN:</b> U74110DL2010PTC205995	<b>Legal Advisor to the Issue</b> Sushmita Adhikari & Associates, PCS Firm 138/17, Anupam Garden, Saket- 110068, India. <b>Telephone:</b> +91 99905 36363 <b>Email:</b> cssushmitaadhikari2021@gmail.com <b>Contact Person:</b> Ms. Sushmita Adhikari <b>Firm Registration No.:</b> S2022DE863100
<b>Registrar to the Issue</b> <b>Purva Sharegistry (India) Private Limited</b>	<b>Statutory and Peer Review Auditors to the Company*</b> <b>SSRV &amp; Associates</b>

<p>9, Shiv Shakti Industrial Estate, J. R. Boricha Marg, Opp. Kasturba Hospital Lane, Lower Parel (E) Mumbai – 400011, Maharashtra, India.  <b>Telephone:</b> 022 2301 2518 / 8261  <b>Email:</b> <a href="mailto:support@purvashare.com">support@purvashare.com</a>  <b>Website:</b> <a href="http://www.purvashare.com">www.purvashare.com</a>  <b>Contact Person:</b> Mr. Rajesh Shah/ Ms. Purva Shah/ Ms. Deepali Dhuri  <b>SEBI Registration No.:</b> INR000001112  <b>CIN:</b> U67120MH1993PTC074079</p>	<p>Gala No.215, Gundecha Industrial Estate., Akurli Road, Near Growels Mall, Kandivali East Mumbai - 400 101.  <b>Telephone:</b> 022-67337013/14/15/24/25  <b>Fax:</b> N/A  <b>Email:</b> <a href="mailto:ssrvandassociates@gmail.com">ssrvandassociates@gmail.com</a>  <b>Website:</b> <a href="http://www.ssrv.in">www.ssrv.in</a>  <b>Contact Person:</b> Mr Vishnu Kant Kabra  <b>Firm Registration:</b> 135901W  <b>Membership Number:</b> 403437  <b>Peer Review Number:</b> 014729</p>
<p><b>Banker to the Company</b>  IDFC First Bank No 001 &amp; 101, Konark Apartment, Chandavarkar Lane, Roshan Nagar Borivali Mumbai – 400092.  <b>Telephone:</b> 86574 46857  <b>Email:</b> <a href="mailto:priyanka.sharma3@idfcbank.com">priyanka.sharma3@idfcbank.com</a>  <b>Website:</b> <a href="http://idfcfirstbank.com">idfcfirstbank.com</a>  <b>Contact Person:</b> Priyanka Sharma  <b>CIN:</b> L65110TN2014PLC097792</p>	<p><b>Advisor to the Issue</b>  <b>Swaraj Shares &amp; Securities Private Limited</b>  21, Hemant Basu Sarani, 5th Floor, Room No. 507, Kolkata – 700001, India.  <b>Contact No.:</b> +91 9874283532/+91 8097367132  <b>Email-ID:</b> <a href="mailto:tanmoy@swarajshares.com">tanmoy@swarajshares.com</a>/  <a href="mailto:pankita@swarajshares.com">pankita@swarajshares.com</a>  <b>Website:</b> <a href="http://www.swarajshares.com/">www.swarajshares.com/</a>  <b>Contact Person:</b> Mr. Tanmoy Banerjee / Ms. Pankita Patel</p>
<p><b>Banker to the Issue/ Sponsor Bank / Public Issue Bank/ Refund Banker</b>  ICICI Bank Limited  Capital Market Division, 5<sup>th</sup> Floor, HT Parekh Marg, Churchgate, Mumbai 400 020.  <b>Telephone No:</b> +91 22 6805 2182  <b>Email-ID:</b> <a href="mailto:sagar.welekar@icicibank.com">sagar.welekar@icicibank.com</a> / <a href="mailto:ipocmg@icicibank.com">ipocmg@icicibank.com</a>  <b>Website:</b> <a href="http://www.icicibank.com">www.icicibank.com</a>  <b>Contact Person:</b> Sagar Welekar  <b>CIN:</b> L65190GJ1994PLC021012</p>	

\* SSRV & Associates, Chartered Accountant is a peer review auditor of our Company in compliance with section 11 of part A of schedule VI of SEBI (ICDR) Regulation, 2018 and hold a valid peer review certificate No. 014729 dated December 14, 2022 issued by the "Peer Review Board" of the ICAI.

## CHANGES IN THE AUDITORS OF OUR COMPANY

Except as mentioned below, there has been no change in the statutory auditors during the three years immediately preceding the date of this Draft Prospectus:

Sr. No.	Particulars of Auditors	Effective date of Appointment	Effective Date of resignation	Reason for Change
1	SSRV & Associates, Chartered Accountants Office No. 215, Second Floor, Gundecha Ind. Estate, Akurli Road, Kandivali (East), Mumbai-400101 Telephone: 022-67337013/14/15/24/25 Fax: N/A Email: <a href="mailto:ssrvandassociates@gmail.com">ssrvandassociates@gmail.com</a> Website: <a href="http://www.ssrv.in">www.ssrv.in</a> Contact Person: Mr Vishnu Kant Kabra Firm Registration: 135901W Membership Number: 403437 Peer Review Number: 014729	March 15, 2022	NA	Appointment as Auditor to fill the casual vacancy.

## STATEMENT OF INTER SE ALLOCATION OF RESPONSIBILITIES FOR THE ISSUE

Expert Global Consultants Private Limited is the sole Lead Manager to the Issue and all the responsibilities relating to co-ordination and other activities in relation to the Issue shall be performed by them and hence a statement of inter-se allocation of responsibilities is not required.

## DESIGNATED INTERMEDIARIES

### Self-Certified Syndicate Banks (SCSBs)

The lists of banks that have been notified by SEBI to act as SCSB for the ASBA process are provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35>. For details on Designated Branches of SCSBs collecting the ASBA Bid Form, please refer to the above-mentioned SEBI link.

## **Registered Broker**

Investors can submit Application Forms in the Issue using the stock brokers network of the Stock Exchanges, i.e. through the Registered Brokers at the Broker Centres. The list of the Registered Brokers, including details such as postal address, telephone number and email address, is provided on the websites of the SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)) and updated from time to time. For details on Registered Brokers, please refer <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>.

## **Registrar to the Issue and Share Transfer Agent**

The list of the RTAs eligible to accept Applications forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, are provided on the website of SEBI on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>, as updated from time to time.

## **Collecting Depository Participants**

The list of the CDPs eligible to accept Application Forms at the Designated CDP Locations, including details such as name and contact details, are provided on the website of Stock Exchanges, as updated from time to time. The list of branches of the SCSBs named by the respective SCSBs to receive deposits of the Application Forms from the Designated Intermediaries will be available on the website of the SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)) on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> and updated from time to time.

## **CREDIT RATING**

As the Issue is of Equity Shares, credit rating is not required.

## **DEBENTURE TRUSTEES**

As the Issue is of Equity Shares, the appointment of Debenture trustees is not required.

## **IPO GRADING**

Since the Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, there is no requirement of appointing an IPO grading agency.

## **MONITORING AGENCY**

As per Sub-Regulation (1) of Regulation 262 of the SEBI (ICDR) Regulations, the requirement of monitoring agency is not mandatory if the Issue size, is below ₹10,000 Lakhs. Since the Issue size is only of ₹ [●] Lakhs, our Company has not appointed any monitoring agency for this Issue. However, as per Section 177 of the Companies Act, 2013, the Audit Committee of our Company, would be monitoring the utilization of the proceeds of the Issue.

## **APPRAISING ENTITY**

None of the objects of the issue 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 March 24, 2023, from the Statutory Auditors namely, M/s. SSRV & Associates , Chartered Accountants, to include their name as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Draft Prospectus and as an “Expert” as defined under Section 2(38) of the Companies Act, 2013, in respect of the reports of the Statutory Auditors on the Restated Financial Statements, dated January 25, 2023, and the statement of possible special tax benefits dated March 24, 2023, included in this Draft Prospectus and such consent has not been withdrawn as on the date of this Draft Prospectus. However, the term “Expert” shall not be construed to mean an “expert” as defined under the Securities Act.

## **FILING OF DRAFT PROSPECTUS AND PROSPECTUS**

The Draft Prospectus are being filed with BSE Limited.

The Draft Prospectus shall not be filed with SEBI, nor has SEBI issued any observation on the Draft Prospectus in terms of Regulation 246 of SEBI (ICDR) Regulations. However, pursuant to Sub-Regulation (5) of Regulation 246 of SEBI (ICDR) Regulations, the copy



of Prospectus shall be furnished to SEBI in a soft copy. Pursuant to SEBI circular bearing reference number SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, a copy of the Prospectus will be filed online through SEBI Intermediary Portal at [www.sebi.gov.in](http://www.sebi.gov.in).

A copy of the Prospectus along with the due diligence certificate including additional documents required to be filed under Section 26 of the Companies Act, 2013 will be delivered to the Registrar of Companies, Mumbai, Ministry of Corporate Affairs, 100, Everest, Marine Drive, Mumbai- 400002, Maharashtra, India.

## FIXED PRICE ISSUE PROCEDURE

The Issue is being made in compliance with the provisions of Chapter IX of the SEBI (ICDR) Regulations, and through the Fixed Price Process wherein 50.00% (Fifty Percent) of the Net Issue to public is being offered to the Retail Individual Investors and the balance is being offered to Other Investors including QIBs and Non-Institutional Applicants.

However, in case of under-subscription in either category, unsubscribed portion shall be allocated to investors in other category subject to valid Applications being received from them at the Issue Price. Subject to the valid Applications being received at the Issue Price, allotment to all categories in the Net Issue, shall be made on a proportionate basis, except for the Retail Individual Investors category where Allotment to each Retail Individual Investors shall not be less than the minimum lot, subject to availability of Equity Shares in Retail Individual Investors Category, 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 Lead Manager and the Stock Exchange.

Investors should note that the Equity Shares will be allotted to all successful Applicants only in dematerialised form. It is mandatory to furnish the details of Applicant's depository account along with Application Form. The Application Forms which do not have the details of the Applicants' depository account, including the DP ID Numbers and the beneficiary account number shall be treated as incomplete and rejected. Application Forms which do not have the details of the Applicants' PAN, (other than Applications made on behalf of the Central and the State Governments, residents of the state of Sikkim and official appointed by the courts) shall be treated as incomplete and are liable to be rejected. Applicants will not have the option of being Allotted Equity Shares in physical form. The Equity Shares on Allotment shall be traded only in the dematerialised segment of the Stock Exchanges.

## ISSUE PROGRAMME

An indicative timetable in respect of the Issue is set out below:

Event	Indicative Date
Issue Opening Date	[●]
Issue Closing Date	[●]
Finalization of Basis of Allotment with the Designated Stock Exchange	[●]
Unblocking of Funds	[●]
Credit of Equity Shares to demat accounts of Allottees	[●]
Commencement of trading of the Equity Shares on the Stock Exchange	[●]

## UNDERWRITING

In terms of Sub-Regulation (1) of Regulation 260 of the SEBI (ICDR) Regulations, the initial public offer shall be underwritten for 100.00% (Hundred Percent) of the Issue and shall not be restricted upto the minimum subscription level; and as per Sub-Regulation (2) of Regulation 260, the lead manager shall underwrite at least 15.00% (Fifteen Percent) of the Issue Size on their own account(s).

In pursuance of the underwriting agreement dated [●] entered between our Company and Lead Manager, this Issue is 100.00% (Hundred Percent) underwritten by the Underwriter [●] and [●], obligations of the Underwriters are subject to certain conditions specified therein. The underwriters have indicated their intention to underwrite following number of Equity Shares being offered through this Issue.

Details of Underwriter	Indicated number of Equity Shares to be Underwritten	Amount Underwritten	% of the total Issue size Underwritten
[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]

As per Sub-Regulation (2) of Regulation 260 of SEBI (ICDR) Regulations, the Lead Manager has agreed to underwrite to a minimum extent of Issue out of its own account.

In the opinion of the Board of Directors of our Company, the resources of the above mentioned Underwriters are sufficient to enable them to discharge their respective obligations in full.

## WITHDRAWAL OF THE ISSUE

Our Company in consultation with the Lead Manager, reserves the right not to proceed with the Issue at any time after the Issue Opening Date but before the board meeting for Allotment of Equity Shares. In such an event our Company would issue a public notice in the newspapers, in which the pre-issue advertisements were published, within two working days of the Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. The Lead Manager, through the Registrar to the Issue, shall notify the SCSBs and Sponsor Banks, as applicable, to unblock the bank accounts of the ASBA Applicants within one day of receipt of such notification. Our Company shall promptly inform the Stock Exchange on which the Equity Shares were proposed to be listed.

Notwithstanding the foregoing, the Issue is also subject to obtaining the final listing and trading approvals of the BSE SME, which our Company shall apply for after Allotment. If our Company withdraws the Issue at any stage including after the Issue Closing Date and thereafter determines that it will proceed with an IPO, our Company shall be required to file a fresh Draft Prospectus.

## DETAILS OF MARKET MAKING ARRANGEMENT FOR THE ISSUE

Our Company, Market Maker and the Lead Manager has entered into Market Making Agreement dated [●] with the following Market Maker to fulfil the obligations of Market Making for this Issue:

Name	[●]
Address	[●]
Telephone Number	[●]
E-mail	[●]
Contact Person	[●]
SEBI Registration Number	[●]

The Market Maker shall fulfil the applicable obligations and conditions as specified in the SEBI (ICDR) Regulations, and its amendments thereto and the circulars issued by the BSE Limited and SEBI regarding this matter from time to time.

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

- 1) The Market Maker(s) (*individually or jointly*) shall be required to provide a 2-way quote for 75.00% of the time in a day. The same shall be monitored by the stock exchange. Further, the Market Maker(s) shall inform the exchange in advance for each and every black out period when the quotes are not being issued by the Market Maker(s).
- 2) The price band shall be 20% and the market maker spread (difference between the sell and the buy quote) shall be within 10% or as intimated by Exchange from time to time and the same shall be updated in the Draft Prospectus.
- 3) The prices quoted by Market Maker shall be in compliance with the Market Maker Spread Requirements and other particulars as specified or as per the requirements of BSE SME platform of the BSE and SEBI from time to time.
- 4) 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 Issue their holding to the Market Maker(s) (individually or jointly) 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.
- 5) The Market Maker shall not sell in lots less than the minimum contract size allowed for trading on the BSE SME Platform (in this case currently the minimum trading lot size is [●] Equity Shares; however, the same may be changed by the BSE SME Platform of BSE from time to time).
- 6) The Market Maker shall be required to provide a 2-way quote for 75.00% of the time in a day. The same shall be monitored by the Stock Exchange. The spread (difference between the sell and the buy quote) shall not be more than 10% or as specified by the Stock Exchange. Further, the Market Maker (s) shall inform the exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker (s).
- 7) 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 25.00% of Issue Size. Any Equity Shares allotted to Market Maker under this Issue over and above 25.00% of Issue Size would not be taken in to consideration of computing the threshold of 25.00% of Issue Size. As soon as the Shares of Market Maker in our Company reduces to 24.00% of Issue Size, the Market Maker will resume providing two (2) way quotes.

- 8) There shall be no exemption/threshold on downside. However, in the event the Market Maker exhausts his inventory through market making process, BSE may intimate the same to SEBI after due verification.
- 9) Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by him.
- 10) There would not be more than five (5) Market Makers for a script at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors.
- 11) On the first day of the listing, there will be pre 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.
- 12) 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.
- 13) The Market Maker(s) shall have the right to terminate said arrangement by giving a three (3) months' notice or on mutually acceptable terms to the Lead Manager, who shall then be responsible to appoint a replacement Market Maker(s). 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 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(1) of the SEBI (ICDR) Regulations 2018. Further our Company and the Lead Manager reserve the right to appoint other Market Makers 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 five (5) or as specified by the relevant laws and regulations applicable at that particulars point of time. The Market Making Agreement is available for inspection at our registered office from 11.00 a.m. to 5.00 p.m. on Working Days.

**14) Risk containment measures and monitoring for Market Makers:**

BSE SME platform of the BSE Limited will have all margins, which are applicable on the BSE main board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. BSE can impose any other margins as deemed necessary from time-to-time.

**15) Price Band and Spreads:**

SEBI Circular bearing reference no: CIR/MRD/DP/ 02/2012 dated January 20, 2012, has laid down that for issue size up to ₹250 Crores, the applicable price bands for the first day shall be:

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.

In case equilibrium price is not discovered in the Call Auction, the price band in the normal trading session shall be 5% of the issue price.

Additionally, the trading shall take place in TFT segment for first 10 days from commencement of trading. The following spread will be applicable on the BSE SME platform of the BSE.

Market Price Slab	Proposed spread (in % to sale price)
Up to ₹50	9
₹50 to ₹75	8
₹75 to ₹100	6
Above ₹100	5

**16) Punitive Action in case of default by Market Makers:**

BSE SME 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 (Issuing 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. 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.

- 17) 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 issue size and as follows:

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

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.

## SECTION VI – CAPITAL STRUCTURE

The Equity Share Capital of our Company as on the date of this Draft Prospectus and after giving effect to the Issue is set forth below:

(₹ in Lakhs, except share data)

	Particulars	Aggregate value at face value	Aggregate value at Issue Price
<b>A.</b>	<b>AUTHORIZED SHARE CAPITAL</b>		
	20,00,000 equity shares of face value of ₹10.00/- each	200.00	-
<b>B.</b>	<b>ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE ISSUE</b>		
	10,55,000 equity shares of face value of ₹10.00/- each	105.50	-
<b>C.</b>	<b>PRESENT ISSUE IN TERMS OF THIS DRAFT PROSPECTUS</b>		
	Issue of 9,44,000 Equity Shares of face value of ₹10.00/- each for cash at a price of ₹[●] per Equity Share (including a share premium of ₹ [●] per Equity share) aggregating ₹ [●] <sup>(1)</sup>	94.40	[●]
	<b>Which comprises of:</b>		
	<b>Reservation for Market Maker portion</b>		
	52,000 equity shares of face value of ₹10.00/- each for cash at a price of ₹[●] per Equity Share (including a share premium of ₹ [●] per Equity share) aggregating ₹ [●]	5.20	[●]
	<b>Net Issue to the Public</b>		
	8,92,000 equity shares of face value of ₹10.00/- each for cash at a price of ₹ [●] per Equity Share (including a share premium of ₹ [●] per Equity share) aggregating ₹ [●]	89.20	[●]
#	<b>Of which:</b>		
	4,48,000 equity shares of face value of ₹10.00/- each for cash at a price of ₹ [●] per Equity Share (including a share premium of ₹ [●] per Equity share) aggregating ₹ [●] will be available for allocation for allotment to Retail Individual Investors of up to ₹2,00,000/-	44.80	[●]
	4,44,000 equity shares of face value of ₹10.00/- each for cash at a price of ₹ [●] per Equity Share (including a share premium of ₹ [●] per Equity share) aggregating ₹ [●] will be available for allocation for allotment to Other than Retail Individual Investors of above ₹2,00,000/-	44.40	[●]
<b>D.</b>	<b>ISSUED, SUBSCRIBED AND PAID-UP CAPITAL AFTER THE ISSUE</b>		
	1999000 equity shares of face value of ₹10.00/- each		199.90
<b>E.</b>	<b>SECURITIES PREMIUM ACCOUNT</b>		
	Before the Issue (as on date of this Draft Prospectus)		175.26
	After the Issue		[●]

# Allocation to all categories shall be made on a proportionate basis subject to valid Applications received at or above the Issue 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 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. For detailed information on the Net Issue and its allocation various categories, please refer to the section titled 'Issue Information' beginning on page 162 of this Draft Prospectus.

<sup>(1)</sup> This Issue has been authorised by our Board vide resolution dated September 10, 2022 which is subsequently approved by our Shareholders vide special resolution passed under clause (c) of sub-section (1) of Section 62 of Companies Act, 2013 at an extraordinary general meeting dated September 15, 2022.

### CLASS OF SHARES

As on date of this Draft Prospectus, our Company has only one class of shares, namely being, equity shares having face value of ₹10/- (Rupees Ten Only) each only, ranking pari-passu in all respect.

All the Equity Shares of our Company issued are fully paid-up as on the date of this Draft Prospectus.

Our Company does not have any outstanding convertible instruments as on the date of this Draft Prospectus.

## NOTES TO THE CAPITAL STRUCTURE

### 1. Changes in the Authorized Share Capital of Our Company

Since Incorporation of our Company, the authorized share capital of our Company has been changed in the manner set forth below:

Sr. No.	Particulars of Increase in Share Capital	Cumulative no. of Equity Shares	Cumulative Authorised Share Capital	Date of Meeting	Whether AGM/EoGM
(i)	On Incorporation	1,00,000	₹ 10,00,000	-	Incorporation
(ii)	Increase in Authorised Share Capital from ₹ 10.00 Lakhs to ₹ 200.00 Lakhs.	20,00,000	₹ 2,00,00,000	May 17, 2022	EoGM

### 2. History of Equity Share Capital of our Company

The following table sets forth the history of the Equity Share capital of our Company:

Date of Allotment	Nature of Allotment	No. of Equity Shares allotted	Cumulative No. of equity shares	Face value (₹)	Issue price (₹)	Nature of Consideration	Cumulative Paid Up Share Capital (₹)	Cumulative Securities Premium (₹)
On Incorporation	Subscribers to MOA <sup>(i)</sup>	50,000	50,000	₹10	₹10	Cash	5,00,000	-
May 17, 2022	Conversion of Loan <sup>(ii)</sup>	1,28,695	1,78,695	₹10	₹10	Other than Cash	17,86,950	-
July 15, 2022	Conversion of Loan <sup>(iii)</sup>	592852	771547	₹10	₹30	Other than Cash	77,15,470	11857040
July 15, 2022	Private Placement <sup>(iv)</sup>	213000	9,84,547	₹10	₹30	Cash**	98,45,470	16117040
September 15, 2022	Private Placement <sup>(v)</sup>	70,453	10,55,000	₹10	₹30	Cash	1,05,50,000	1,75,26,100

\*\* The allotment is on Private Placement basis and for consideration as Cash. However, in the Board Resolutions it has been inadvertently captured as the allotment towards Conversion of Loan and for consideration Other than Cash.

#### Notes to the Capital Structure

- (i) **Initial Subscribers to the Memorandum of Association subscribed to Equity Shares of Face Value of ₹ 10/- each, details of which are given below:**

Sr. No.	Name of Person	Number of Shares Allotted
1	Sonali Nilesh Kocharekar	23,500
2	Smita Shashikant Shah	23,500
3	Shashikant Chimanlal Shah	2,750
4	Shivang Shashikant Shah	120
5	Prakash Jhangiani	120
6	Ganjanan Vithal Chavan	5
7	Akshay Vitthal Bhadrike	5
<b>Total</b>		<b>50,000</b>

- (i) **Further Allotment (Conversion of Loan) of 1,28,695 Equity Shares of ₹ 10/- each to the following Shareholders:**

Sr. No.	Name of Person	Number of Shares Allotted
1	Sonali Nilesh Kocharekar	64,348
2	Smita Shashikant Shah	64,347
<b>Total</b>		<b>1,28,695</b>

(ii) **Further Allotment (Conversion of Loan) of 592852 Equity Shares of ₹ 10/- each to the following Shareholders:**

Sr. No.	Name of Person	Number of Shares Allotted
1	Sonali Nilesh Kocharekar	2,96,426
2	Smita Shashikant Shah	2,96,426
<b>Total</b>		<b>5,92,852</b>

(iii) **Further Allotment\*\* of 2,13,000 Equity Shares of ₹ 10/- each to the following Shareholders:**

Sr. No.	Name of Person	Number of Shares Allotted
1	Sabir Abdul Aziz Patel	50,000
2	Darshan Umesh Thakkar	50,000
3	Imteyaz Mohammad Shafi Shaikh	80,000
4	Savita Lalbahadur Singh	33,000
<b>Total</b>		<b>2,13,000</b>

\*\* The allotment is on Private Placement basis and for consideration as Cash. However, in the Board Resolutions it has been inadvertently captured as the allotment towards Conversion of Loan and for consideration Other than Cash.

(iv) **Further Allotment of 70,453 Equity Shares of ₹ 10/- each to the following Shareholders:**

Sr. No.	Name of Person	Number of Shares Allotted
1	Amrit Laxmichand Gandhi	30,453
2	Manuj Khatwani	40,000
<b>Total</b>		<b>70,453</b>

### 3. Equity Shares issued for consideration other than cash

Except as set out below, we have not issued any Equity Shares for consideration other than cash:

Date of Allotment	Name of Allottees	Equity Shares Allotted	No. of Equity Shares	Face value (₹)	Issue price (₹)	Reasons for allotment	Benefits accrued to our Company
May 17, 2022	Sonali Nilesh Kocharekar	64,348	1,28,695	10	10	Conversion of Loan	Taken over the running business of M/s Appetite Foods
	Smita Shashikant Shah	64,347					
July 15, 2022	Sonali Nilesh Kocharekar	2,96,426	592852	10	30	Conversion of Loan	Utilized the money towards the working capital in the Company
	Smita Shashikant Shah	2,96,426					

### 4. Equity Shares issued for consideration out of revaluation reserve

Our Company has not revalued its assets since inception and has not issued Equity Shares out of its revaluation reserves (including bonus shares).

### 5. Issue of Equity Shares pursuant to schemes of arrangement

No Equity Shares have been allotted pursuant to any scheme approved under Section 391-394 of the Companies Act, 1956 or Section 230-240 of the Companies Act, 2013 as on the date of this Draft Prospectus.

### 6. Issue of Equity Shares under employee stock option

As on the date of this Draft Prospectus, our Company has not issued shares under any employee stock option scheme.

### 7. Issue of shares at a price lower than Issue Price in last one year

Our Company has not issued any Equity Shares in the last one year immediately preceding the date of this Draft Prospectus at a price which may be lower than the Issue Price.



**8. Details of Allotment made in the last two years preceding the date of Draft Prospectus:**

Except as mentioned in point 2 above, we have not issued any Equity Share in the last two years preceding the date of Draft Prospectus.

9. As on the date of this Draft Prospectus, our Company does not have any preference share capital.

10. Our Company does not have any Employee Stock Option Scheme / Employee Stock Purchase Scheme for our employees and we do not intend to allot any shares to our employees under Employee Stock Option Scheme / Employee Stock Purchase Scheme from the proposed issue. As and when, options are granted to our employees under the Employee Stock Option Scheme, our Company shall comply with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

11. Our Company has not made any public issue (including any rights issue to the public) since its incorporation.

12. The shareholding pattern of our Company before the issue as per Regulation 31 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is given here below:

Sr. No.	Particular	Yes/No	Promoter and Promoter Group	Public Shareholder	Non-Promoter – Non-Public
1.	Whether the Company has issued any partly paid-up shares?	No	No	No	No
2.	Whether the Company has issued any Convertible Securities?	No	No	No	No
3.	Whether the Company has issued any Warrants?	No	No	No	No
4.	Whether the Company has any shares against which depository receipts are issued?	No	No	No	No
5.	Whether the Company has any shares in locked-in?*	No	No	No	No
6.	Whether any shares held by promoters are pledge or otherwise encumbered?	No	No	No	No
7.	Whether company has equity shares with differential voting rights?	No	No	No	No

\* All Pre-IPO Equity Shares of our Company will be locked in as mentioned above prior to listing of shares on SME Platform of BSE Limited. Our Company will file the shareholding pattern in the form prescribed under Regulation 31 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, one day prior to the Listing of the Equity Shares. The Shareholding Pattern will be uploaded on the Website of the BSE before commencement of trading of such Equity Shares.

The table below represents the shareholding pattern of our Company in accordance with Regulation 31 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as on the date of the Draft Prospectus:

**Summary of Shareholding pattern**

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 number of Equity Shares (calculate as per SCRR) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)			No. of Equity Shares underlying outstanding convertible securities (including warrants) (X)	Shareholding as a % assuming full conversion of convertible securities (as a percentage of diluted Equity Share capital) (XI) = (VII)+(X) As a % of (A+B+C)	No. of locked in Equity Shares (XII)		No. of Equity Shares pledged or otherwise Encumbered (XIII)		No. of Equity Shares held in dematerialized form (XIV)
								No. of Voting Rights		Total as a % of (A+B+C)			Number (a)	As a total Shares held (b)	Number (a)	As a total Shares held (b)	
								Class: Equity Shares	Total								
(A)	Promoter and Promoter Group	5	7,71,422	-	-	7,71,422	73.12	7,71,422	7,71,422	73.12	-	73.12	-	-	-	-	7,71,422
(B)	Public	8	2,83,578	-	-	2,83,578	26.88	2,83,578	2,83,578	26.88	-	26.88	-	-	-	-	2,83,578
(C)	Non-Promoter-Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	Shares underlying depository receipts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares held by employee trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Total (A+B+C)</b>	<b>13</b>	<b>10,55,000</b>	<b>-</b>	<b>-</b>	<b>10,55,000</b>	<b>100.00</b>	<b>10,55,000</b>	<b>10,55,000</b>	<b>100.00</b>	<b>-</b>	<b>100.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,55,000</b>

**Note**

1. As on date of this Draft Prospectus 1 Equity share holds 1 vote
2. We have only one class of Equity Shares of face value of ₹ 10/- each.

### 13. Details of shareholding of the major shareholders our Company

- (a) As on the date of the filing of this Draft Prospectus, our Company has 13 (Thirteen) shareholders;
- (b) Set forth below are the details of shareholders holding 1.00% or more of the paid-up Equity Share capital of our Company, on a fully diluted basis, **AS ON THE** date of filing of this Draft Prospectus:

Sr. No.	Name of the Shareholder	No. of Equity Shares	Percentage of the pre-Issue Equity Share Capital (%)
(i)	Sonali Nilesh Kocharekar	3,84,274	36.42
(ii)	Smita Shashikant Shah	3,84,273	36.42
(iii)	Imteyaz Mohammad Shafi Shaikh	80,000	7.58
(iv)	Darshan Umesh Thakkar	50,000	4.74
(v)	Sabir Abdul Aziz Patel	50,000	4.74
(vi)	Manuj Khatwani	40,000	3.79
(vii)	Savita Lalbahadur Singh	33,000	3.13
(viii)	Amrit Laxmichand Gandhi	30,453	2.89
	<b>Total</b>	<b>10,52,000</b>	<b>96.72</b>

- (c) Set forth below are the details of shareholders holding 1.00% or more of the paid-up Equity Share capital of our Company, on a fully diluted basis, as of **TEN DAYS PRIOR** to the date of filing of this Draft Prospectus:

Sr. No.	Name of the Shareholder	No. of Equity Shares	Percentage of the pre-Issue Equity Share Capital (%)
(i)	Sonali Nilesh Kocharekar	3,84,274	36.42
(ii)	Smita Shashikant Shah	3,84,273	36.42
(iii)	Imteyaz Mohammad Shafi Shaikh	80,000	7.58
(iv)	Darshan Umesh Thakkar	50,000	4.74
(v)	Sabir Abdul Aziz Patel	50,000	4.74
(vi)	Manuj Khatwani	40,000	3.79
(vii)	Savita Lalbahadur Singh	33,000	3.13
(viii)	Amrit Laxmichand Gandhi	30,453	2.89
	<b>Total</b>	<b>10,52,000</b>	<b>96.72</b>

- (d) Set forth below are the details of shareholders holding 1.00% or more of the paid-up Equity Share capital of our Company, on a fully diluted basis, as of **ONE YEAR PRIOR** to the date of filing of this Draft Prospectus:

The Company is incorporated on March 15, 2022 under the Companies Act, 2013. Thus, the list of Shareholders holding 1.00% or more of the Paid-up Capital of the Company as on date one year prior to the date of this Draft Prospectus is not applicable.

- (e) Set forth below are the details of shareholders holding 1.00% or more of the paid-up Equity Share capital of our Company, on a fully diluted basis, as of **TWO YEAR PRIOR** to the date of filing of this Draft Prospectus:

The Company is incorporated on March 15, 2022 under the Companies Act, 2013. Thus, the list of Shareholders holding 1.00% or more of the Paid-up Capital of the Company as of two year prior to the date of this Draft Prospectus is not applicable.

- (f) Except as disclosed below, no subscription to or sale or purchase of the securities of our Company within three years preceding the date of filing of the Draft Prospectus by our Promoters or Directors or Promoter Group which in aggregate equals to or is greater than 1% of the pre- offer share capital of our Company:

Name of the Shareholder	Date of Transaction	Category	No. of Equity Shares Subscribed / Acquired	No. of Equity Shares Sold	Subscribed / Acquired / Transferred
Sonali Nilesh Kocharekar	Incorporation	Promoter and Managing Director	23,500	None	Subscribed
Sonali Nilesh Kocharekar	May 17, 2022		64,348	None	Acquired
Sonali Nilesh Kocharekar	July 15, 2022		2,96,426	None	Acquired
Smita Shashikant Shah	Incorporation		23,500	None	Subscribed

Name of the Shareholder	Date of Transaction	Category	No. of Equity Shares Subscribed / Acquired	No. of Equity Shares Sold	Subscribed / Acquired / Transferred
Smita Shashikant Shah	May 17, 2022	Promoter and Whole Time Director	64,347	None	Acquired
Smita Shashikant Shah	July 15, 2022		2,96,426	None	Acquired

(g) The average cost of acquisition of or subscription to Equity Shares by our Promoters is set forth in the table below:

Sr. No.	Name of Promoters	No. of Equity Shares	Cost of Acquisition per equity share* (in ₹)
(i)	Sonali Nilesh Kocharekar	3,84,274	25.42
(ii)	Smita Shashikant Shah	3,84,273	25.42

\* As per the certificate issued by M/s SSRV, Chartered Accountants dated March 24, 2023.

14. There will not be any further issue of capital, 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 the Draft Prospectus until the date of listing of Equity Shares or refund of application monies in pursuance of the Draft Prospectus. However, our Company may alter its capital structure by way of split/consolidation of the denomination of Equity Shares or issue of equity shares on a preferential basis or issue of bonus or rights or further public issue of equity shares or qualified institutional placements, within a period of six months from the date of opening of the present issue 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 of Directors may deem fit, if an opportunity of such nature is determined by the Board of Directors to be in the interest of our Company.

#### 15. Details of Shareholding of our Promoters and members of the Promoter Group in the Company

(a) Provided below are the details of Equity Shares held by our Promoters and the members of Promoter Group as on the date of this Draft Prospectus:

Sr. No.	Name of the Shareholder	Pre-Offer		Post-Offer	
		No. of Equity Shares	Percentage of the Pre-Issue Equity Share Capital	No. of Equity Shares	Percentage of the Post-Issue Equity Share Capital
<b>Promoters</b>					
1.	Sonali Nilesh Kocharekar	3,84,274	36.42%	3,84,274	19.21%
2.	Smita Shashikant Shah	3,84,273	36.42%	3,84,273	19.21%
<b>Total - A</b>		<b>7,68,547</b>	<b>72.85%</b>	<b>7,68,547</b>	<b>38.43%</b>
<b>Promoter Group</b>					
1.	Shashikant Chimanlal Shah	2,750	0.26%	2,750	0.14%
2.	Shivang Shashikant Shah	120	0.01	120	0.01%
3.	Gajanan Chavan	5	0.00%	5	0.00%
<b>Total - B</b>		<b>2,875</b>	<b>0.27%</b>	<b>2,875</b>	<b>0.15%</b>
<b>Total (A+B)</b>		<b>7,71,422</b>	<b>73.12%</b>	<b>7,71,422</b>	<b>38.57%</b>

\*Subject to finalisation of basis of Allotment.

(b) All Equity Shares held by the Promoters and members of Promoter Group have been dematerialized as on date of this Draft Prospectus;

#### (c) Build-up of the Promoters' shareholding in our Company

The current Promoters are Ms. Sonali Nilesh Kocharekar and Ms. Smita Shashikant Shah.

The build-up of the equity shareholding of our Promoters since incorporation of our Company is set forth in the table below:

Nature of transaction	Date of Allotment/ Transfer / Transmission	No. of Equity Shares	Nature of Consideration	Face value per Equity Share	Issue Price/ Transfer Price per Equity Share	Cumulative no. of Equity Shares	% of Pre-Issue Equity Share Capital	% of Post-Issue Equity Share Capital*
<b>(i) Sonali Nilesh Kocharekar</b>								
Subscribers to MOA	On Incorporation	23,500	Cash	₹10.00	₹10.00	23,500	2.23%	1.18%

Nature of transaction	Date of Allotment/ Transfer / Transmission	No. of Equity Shares	Nature of Consideration	Face value per Equity Share	Issue Price/ Transfer Price per Equity Share	Cumulative no. of Equity Shares	% of Pre-Issue Equity Share Capital	% of Post-Issue Equity Share Capital*
Conversion of Loan	May 17, 2022	64,348	Other than Cash	₹10.00	₹10.00	87,848	6.10%	3.22%
Conversion of Loan	July 15, 2022	2,96,426	Other than Cash	₹10.00	₹30.00	3,84,274	28.10%	14.82%
<b>Total</b>		<b>3,84,274</b>					<b>36.42%</b>	<b>19.21%</b>
<b>(ii) Smita Shashikant Shah</b>								
Subscribers to MOA	On Incorporation	23,500	Cash	₹10.00	₹10.00	23,500	2.23%	1.18%
Conversion of Loan	May 17, 2022	64,347	Other than Cash	₹10.00	₹10.00	87,847	6.10%	3.22%
Conversion of Loan	July 15, 2022	2,96,426	Other than Cash	₹10.00	₹30.00	3,84,273	28.10%	14.82%
<b>Total</b>		<b>3,84,273</b>					<b>36.42%</b>	<b>19.21%</b>

\* Subject to finalisation of basis of Allotment.

(d) The maximum and minimum price at which the aforesaid transaction was made is ₹30.00 and ₹10.00 per Equity Share

All the Equity Shares held by our Promoters were fully paid-up on the respective dates of allotment of such Equity Shares. Further, none of the Equity Shares held by our Promoters are pledged;

(e) The entire Promoter's shares shall be subject to lock-in from the date of allotment of the equity shares issued through this Draft Prospectus for periods as per applicable Regulations of the SEBI (ICDR) Regulations.

(f) Our Promoters have confirmed to the Company and the Lead Manager that the Equity Shares held by our Promoters have been financed from their personal funds and no loans or financial assistance from any bank or financial institution has been availed by them for this purpose.

(g) All the shares held by our Promoters were fully paid-up.

(h) Except as mentioned below, none of the members of the Promoter Group, the Promoters, or the Directors and their relatives have purchased or sold any securities of our Company during the period of six months immediately preceding the date of this Draft Prospectus:

Date of Transaction	No. of Equity Shares Allotted/ Acquired/ Sold	Face value per Equity Share	Issue Price/ Acquired Price / Transfer Price per Equity Share	Nature of transaction	Nature of Consideration	Name of the Allottees / Transferor / Transferee	Category
On Incorporation	23,500	₹10.00	₹10.00	Subscribers to MOA	Cash	Sonali Nilesh Kocharekar	Promoter
On Incorporation	23,500	₹10.00	₹10.00	Subscribers to MOA	Cash	Smita Shashikant Shah	Promoter
May 17, 2022	64,348	₹10.00	₹10.00	Conversion of Loan	Other than Cash	Sonali Nilesh Kocharekar	Promoter
May 17, 2022	64,347	₹10.00	₹10.00	Conversion of Loan	Other than Cash	Smita Shashikant Shah	Promoter
July 15, 2022	2,96,426	₹10.00	₹30.00	Conversion of Loan	Other than Cash	Sonali Nilesh Kocharekar	Promoter
July 15, 2022	2,96,426	₹10.00	₹30.00	Conversion of Loan	Other than Cash	Smita Shashikant Shah	Promoter

There have been no financing arrangements whereby our Promoters, members of the Promoter Group, our Directors and their relatives have financed the purchase by any other person of securities of our Company during a period of six months immediately preceding the date of this Draft Prospectus.

## 16. Details of Promoters' contribution and locked-in for three years

- (a) Pursuant to Regulation 236 and Regulation 238 of the SEBI (ICDR) Regulations, an aggregate of 20% of the fully diluted post-Issue Equity Share capital of our Company held by the Promoters shall be locked in for a period of three years as minimum promoters' contribution from the date of Allotment (hereinafter referred to as '**Minimum Promoters' Contribution**'), and the Promoters' shareholding in excess of 20% of the fully diluted post-Issue Equity Share capital shall be locked in for a period of one year from the date of Allotment;
- (b) Our Promoters have given written consent to include such number of Equity Shares held by them and subscribed by them as a part of Minimum Promoters' Contribution constituting 20.00% of the post-Issue Equity Shares of our Company and have agreed not to sell or transfer or pledge or charge or otherwise dispose of in any manner, the Minimum Promoters Contribution, for such time as required under SEBI ICDR Regulations, except as may be permitted, in accordance with the SEBI ICDR Regulations;
- (c) Details of the Equity Shares to be locked-in for three years from the date of Allotment as Minimum Promoters' Contribution are set forth in the table below:

Name of the Promoter	Date of allotment of the Equity Shares	Nature of transaction	No. of Equity Shares held	Issue/ acquisition price per Equity Share (₹)	No. of Equity Shares locked-in	Percentage of the post- Issue paid-up capital (%)
Sonali Nilesh Kocharekar	July 15, 2022	Conversion of Loan	2,96,426	₹30.00	2,96,426	14.83
Smita Shashikant Shah	July 15, 2022	Conversion of Loan	111348	₹30.00	111348	5.57
<b>Total</b>			<b>4,07,774</b>		<b>4,07,774</b>	<b>20.40</b>

*\*\*All the Equity Shares were fully paid-up on the respective dates of allotment or acquisition, as the case may be, of such Equity Shares*

- (d) Our Company undertakes that the Equity Shares that are subjected to being lock-in are not and will not be ineligible for computation of Minimum Promoters' Contribution in terms of Regulation 237 of the SEBI (ICDR) Regulations. In pursuance of the aforesaid, we confirm the following:
- (i.a) The Equity Shares offered for Minimum Promoters' Contribution does not include Equity Shares acquired in the three immediately preceding years: (a) acquired for consideration other than cash and revaluation of assets or capitalization of intangible assets; or (b) resulting from a bonus issue of Equity Shares out of revaluation reserves or unrealized profits of our Company or from a bonus issuance of equity shares against Equity Shares, which are otherwise ineligible for computation of Minimum Promoters' Contribution;
- (i.b) The Minimum Promoters' Contribution does not include any Equity Shares acquired during the immediately preceding one year at a price lower than the price at which the Equity Shares are being offered to the public in the Issue;
- (i.c) The Minimum Promoters' Contribution does not include any Equity Shares allotted through private placement made by solicitation of subscription from unrelated persons either directly or through any intermediary;
- (i.d) Our Company has not been formed by conversion of a partnership firm or a limited liability partnership firm into a company and hence, no Equity Shares have been issued in the past one year immediately preceding the date of this Draft Prospectus pursuant to conversion from a partnership firm;
- (i.e) The Equity Shares forming part of the Minimum Promoter's Contribution are not subject to any pledge; and
- (i.f) Minimum Promoter's Contribution of 20.00% of the post-Issue Equity does not include any contribution from Alternate Investment Fund.

## 17. Lock in of Equity Shares held by Promoter in excess of Minimum Promoter Contribution

In addition to Minimum Promoters' Contribution which shall be locked-in for three years, the balance 3,60,773 Equity Shares held by Promoter shall be locked in for a period of one year from the date of allotment in the Initial Public Offer as provided in clause (b) of Regulation 238 of the SEBI (ICDR) Regulations, 2018.

## 18. Lock in of Equity Shares held by Person other than Promoter

In terms of Regulation 239 of the SEBI (ICDR) Regulations, 2018, the entire pre-issue capital held by the Persons other than the Promoter shall be locked in for a period of one year from the date of allotment in the Initial Public Offer. Accordingly, 2,86,453 Equity shares held by the Persons other than Promoter shall be locked in for a period of one year from the date of allotment in the Initial Public Offer.

#### **19. Recording on non-transferability of Equity Shares locked-in**

In compliance with Regulation 241 of the SEBI (ICDR) Regulations, our Company shall ensure that the details of the Equity Shares locked-in are recorded by the relevant Depository.

#### **20. Other requirements in respect of lock-in**

In pursuance of Regulation 242 of the SEBI (ICDR) Regulations, the Equity Shares held by our Promoters' and locked-in, as mentioned above, may be pledged as collateral security for a loan with a scheduled commercial bank, a public financial institution, Systemically Important Non-Banking Financial Company or a deposit accepting housing finance company, subject to the following:

- (a) With respect to the Equity Shares locked-in as Minimum Promoter's Contribution for a period of three years from the date of Allotment, the loan must have been granted to our Company for the purpose of financing one or more of the objects of the Issue, which is not applicable in the context of this Issue.
- (b) With respect to the Equity Shares locked-in for a period of one year from the date of Allotment, such pledge of the said Equity Shares is one of the terms of the sanction of the loan;

However, the relevant lock-in period shall continue post the invocation of the pledge as specified above, and the relevant transferee shall not be eligible to transfer to the Equity Shares till the expiry of the relevant lock-in period in terms of the SEBI (ICDR) Regulations.

In terms of Regulation 243 of the SEBI (ICDR) Regulations, the Equity Shares held by our Promoters and locked-in, may be transferred to any member of our Promoter Group or a new promoter, subject to continuation of lock-in as applicable with the transferee for the remaining period and compliance with provisions of the SEBI (SAST) Regulations.

Further, in terms of Regulation 239 of the SEBI (ICDR) Regulations, the Equity Shares held by persons other than our Promoters prior to the Issue and locked-in for a period of one year, may be transferred to any other person holding Equity Shares which are locked-in along with the Equity Shares proposed to be transferred, subject to the continuation of the lock-in with the transferee and compliance with the provisions of the SEBI (SAST) Regulations.

21. Our Company, Promoters, Directors, and the Lead Manager have no existing buyback arrangements and or any other similar arrangements for the purchase of Equity Shares being offered through the Issue;
22. Our Promoters have confirmed to the Company and the Lead Manager that the Equity Shares held by our Promoters have been financed from their personal funds and no loans or financial assistance from any bank or financial institution has been availed by them for this purpose;
23. Our Promoters and Promoter Group will not participate in this Issue;
24. Except Sonali Nilesh Kocharekar, Smita Shashikant Shah, Prakash Premkumar Jhangiani and Shivang Shashikant Shah, none of the other Directors or Key Managerial Personnel of our Company hold any Equity Shares in our Company. For details, refer the section titled '*Our Management - Shareholding of Directors in our Company*' on page 162 of this Draft Prospectus;
25. Our Company undertakes that there shall be only one denomination for the Equity Shares of our Company, unless otherwise permitted by law. Our Company shall comply with such disclosure and accounting norms as specified by SEBI from time to time;
26. There are no Equity Shares against which depository receipts have been issued;
27. All Equity Shares issued pursuant to this Issue 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 Prospectus;
28. As on the date of this Draft Prospectus, the Lead Manager and their respective associates do not hold any Equity Shares of our Company. The Lead Manager and its 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;

29. There are no outstanding warrants, options or rights to convert debentures, loans or other convertible instruments into Equity Shares as on the date of this Draft Prospectus;
30. Investors may note that in case of over-subscription, Allotment will be on proportionate basis as detailed under the chapter titled '*Issue Procedure*' on page 181 of this Draft Prospectus.
31. An investor cannot make an application for more than the number of Equity Shares offered in this Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investor.
32. An over-subscription to the extent of 10.00% of the Net Issue 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 Issue. Consequently, the actual allotment may go up by a maximum of 10.00% of the Net Issue, as a result of which, the post-issue paid-up capital after the Issue 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 20.00% of the post Issue paid-up capital is locked in.
33. 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 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;
34. 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 Issue;
35. As on date of this Draft 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 Issue;
36. Our Company has not made any public issue (including any rights issue to the public) since its incorporation;
37. Our Company shall ensure that all the transactions in Equity Shares by our Promoters and members of our Promoter group between the date of filing of this Draft Prospectus and the date of closing of the Issue shall be reported to the Stock Exchange within 24 (Twenty-Four) hours of such transactions.

## SECTION VII – PARTICULARS OF THE ISSUE

### OBJECTS OF THE ISSUE

Our Company proposes to utilize the proceeds from the issue towards funding the following objects and achieve the benefits of listing on SME platform of BSE Limited including enhancement of our Company's brand name and creation of a public market for our Equity Shares in India.

We intend to utilize the proceeds of the Issue to meet the following objects:

- To part finance the Working Capital Requirements;
- General Corporate Purposes; and
- To meet Issue Expenses.

The main objects set out in our Memorandum of Association enable us to undertake our existing activities and the activities for which funds are being raised by us through the Issue for which working capital requirements from the Net Proceeds were utilized.

#### Utilization of Proceeds of IPO

The details of utilization of Proceeds are as per the table set forth below:

#	Particulars	Amount (₹ in Lakhs)*	% of Net Proceeds
1	Working Capital Requirements	180.00	[●]
2	General Corporate Purposes	[●]	[●]
3	Issue Expenses	[●]	[●]
	<b>Total Proceeds from the Issue</b>	[●]	[●]

*\*Subject to finalization of basis of allotment*

*Note: The amount utilized for general corporate purposes shall not exceed 25% of the Gross Proceeds from the Issue.*

#### Means of Finance

Particulars	Amount (₹ in Lakhs)*
Gross Proceeds for this Issue	[●]
Less: Issue Expenses	[●]
<b>Net Proceeds from the Issue</b>	[●]

*\*Subject to finalization of basis of allotment.*

Since, the entire fund requirement is to be funded from the proceeds of the Issue, there is no requirement to make firm arrangements of finance under Regulation 230(1)(e) of the SEBI ICDR Regulations through verifiable means towards at least 75% of the stated means of finance, excluding the amounts to be raised through the proposed Issue.

The fund requirement and deployment are based on internal management estimates and have not been appraised by any bank or financial institution. These are based on current conditions of the business and industry and are subject to change in light of changes in external circumstances or costs, other financial conditions, business or strategy, as discussed further below. Any change in such factors may require the Company to reschedule/ revise the planned expenditure by increasing/ decreasing the allocation for a particular purpose from the planned expenditure.

Our management, in response to the competitive and dynamic nature of the industry, will have the discretion to revise its business plan from time to time, and consequently, our funding requirement and deployment of funds may also change. In accordance with the policies of our Board, our management will have flexibility in utilizing the proceeds earmarked for general corporate purposes.

#### Proposed Schedule of Implementation and Deployment of Funds

The fund deployment indicated above is based on current circumstances of our business and we may have to revise our estimates from time to time on account of various factors, such as financial and market conditions, competition, interest rate fluctuations and other external factors, which may not be within the control of our management. This may entail rescheduling the proposed utilisation of the Net Proceeds and changing the allocation of funds from its planned allocation at the discretion of our management, subject to compliance with applicable laws. For further details, see "Variation in Objects" on page 68 of this Draft Prospectus, and "Risk Factors Our funding requirements

and the proposed deployment of Net Proceeds have not been appraised and our Company has broad discretion over the use of the Net Proceeds and may use them in ways with which you do not agree and in ways that may not enhance our operating results or the price of our Equity Shares” on page 23 of this Draft Prospectus.

If the actual utilisation towards any of the Objects, as set out above, is lower than the proposed deployment, such balance will be used towards any other Object including general corporate purposes, provided that the total amount to be utilised towards general corporate purposes will not exceed 25% of the Gross Proceeds, in accordance with the ICDR Regulations. In case of a shortfall in raising requisite capital from the Net Proceeds towards meeting the Objects, we may explore a range of options including utilising our internal accruals, any additional equity or debt arrangements or both. We believe that such alternate arrangements would be available to fund any such shortfalls.

#### DETAILS OF THE OBJECTS OF THE ISSUE:

##### Net Proceeds of IPO

##### a) Working Capital Requirements:

Currently, we fund our working capital requirements in the ordinary course of our business through internal accruals. The details of our Company’s working capital requirement for the period ended December 31, 2022 (based on utilization) and FY 2023 (Estimated) and FY 2024 (Projected) are as follows:

Particulars of Assets / Liabilities	Period Ended December 31, 2022	FY 2023	FY2024
	Restated	Provisional	Projected
<b>Current Assets</b>			
Margin Money and Cash Balance	69.93	38.68	188.90
Trade Receivables	27.44	64.80	189.00
Inventories	298.74	323.00	248.00
Loans and Advances and Other Current Assets	237.97	201.50	174.68
<b>Total (A)</b>	<b>634.08</b>	<b>627.98</b>	<b>800.57</b>
<b>Current Liabilities</b>			
Trade Payables	83.88	24.48	22.68
Other Current Liabilities	211.27	250.82	65.00
<b>Total (B)</b>	<b>295.15</b>	<b>275.30</b>	<b>87.68</b>
<b>Net Working Capital (A)-(B)</b>	<b>269.00</b>	<b>314.00</b>	<b>524.00</b>
<u>Sources of Working Capital:</u>			
<b>Working capital funding from banks</b>	–	–	–
<i>Incremental working capital</i>	<i>264.00</i>	<i>45.00</i>	<i>210.00</i>
<i>Internal accruals</i>	<i>269.00</i>	<i>314.00</i>	<i>344.00</i>
<i>Funding from Net IPO Proceeds</i>			<i>180.00</i>

#### BASIS OF ESTIMATION

The incremental working capital requirements are based on historical experience in the business and estimated increase in order to be executed pending with company in FY 2023 considering the growth in activities of our Company. Accordingly, we have estimated increase in Inventories, Debtors and Creditors.

Assumption for future working capital requirements:

Particulars	Holding level as on December 31, 2022 (Restated)	Holding level as on March 31, 2023 (Estimated)	Holding level as on March 31, 2024 (Projected)
	Inventories	259.33	225.00
Trade Receivables	23.82	45.00	75.00
Trade Payables	52.97	25.00	15.00

### Justification for “Holding Period” levels:

The justifications for the holding levels mentioned in the table above are provided below:

<b>Inventories</b>	Our Company needs to keep the inventory considering the on the spot sales to small and medium distributors and/or retailers. Considering the emerging brand and growing stage of the Company, we need to keep inventories at an enhanced level to grab the customers / distributors as and when required. Our outstanding Inventories (calculated as average stock divided by cost of sales from operations over no. of days in reporting period i.e. 365 days) were ~259 days for the period ended December 31, 2022. Going forward, as the business cycle have been improving would enable us to improve the inventory levels to be ~225 days in the Fiscal 2023 and ~100 days in the Fiscal 2024.
<b>Trade Receivables</b>	Our Company used to give credit facility to its customers in the normal course of business. Our outstanding Trade Receivables (calculated as closing trade receivables divided by Net sales from operations over no. of days in reporting period i.e. 365 days) were ~24 days for the period ended December 31, 2022. Going forward, as the business cycle have improved and to build a long-term business relationship with retailers / distributors we are envisaging to support with credit terms upto ~45 days in the Fiscal 2023 and ~75 days in the Fiscal 2024.
<b>Trade Payables</b>	Our Trade Payable days as derived from the Restated Financial Statements (calculated as Closing Trade Payables as on December 31, 2022 divided by cost of goods sold over no. of days in reporting period i.e. 365 days) was ~53 days. Going forward, the Company is planning to make the payment at a reduced credit period i.e. to ~25 days in the Fiscal 2023 and ~15 days in the Fiscal 2024, to avail the better pricing for the products to enable improvement in margin profile of the Company.

The Board at its meeting held on March 29, 2023, approved the plan of utilization of Issue Proceeds as stated hereinabove. This amount is based on our management’s current estimates of the amounts to be utilized towards the respective objects. However, the actual deployment of funds will depend on a number of factors affecting our results of operation, financial condition and access to capital. Further, in the event that there is a surplus under any head, such amount shall be utilized towards general corporate purpose.

### b) General Corporate Purposes

Our Company intends to deploy the balance Net Proceeds aggregating to ₹ [●] Lakhs for General Corporate Purposes as decided by our board, we have flexibility in applying the remaining proceeds after meeting issue expenses for general corporate purpose including but not restricted to, meeting operating expenses, repayment of the borrowings, meeting working capital requirements including payment of interests, 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 purpose as approved by our board of directors, subject to compliance with the necessary provisions of the Companies Act.

Our management, in response to the competitive and dynamic nature of the industry, will have the discretion to revise its business plan from time to time and consequently our funding requirement and deployment of funds may change. This may also include rescheduling the proposed utilization of Net Proceeds and increasing or decreasing expenditure for a particular object, i.e., the utilization of Net Proceeds. In case of a shortfall in the Net Proceeds, our management may explore a range of options including utilizing our internal accruals or seeking debt from future lenders. Our management expects that such alternate arrangements would be available to fund any such shortfall. Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes. In the event that we are unable to utilize the entire amount that we have currently estimated for use out of Net Proceeds in a Financial Year, we will utilize such unutilized amount in the next Financial Year.

### c) Issue Expenses

The Issue expenses are estimated to be approximately ₹ [●] Lakhs. Other than (a) listing fees, audit fees of statutory auditors (to the extent not attributable to the Issue), expenses for any corporate advertisements consistent with past practice of the Company (not including expenses relating to marketing and advertisements undertaken in connection with the Issue) each of which will be borne solely by the Company. In the event that the Issue is postponed or withdrawn or abandoned for any reason or the Issue is not successful or consummated, all costs and expenses with respect to the Issue shall be borne by our Company, unless specifically required otherwise under applicable law or by the relevant government authority. The estimated Issue expenses are as follows:

Activity Expense	Amount <sup>(1)</sup> (₹ in Lakhs)	Percentage of Total Estimated Issue Expenses <sup>(1)</sup>	Percentage of Issue Size <sup>(1)</sup>
Underwriting commission, brokerage and selling commission (including Commission/ processing fees for SCSBs, Sponsor Bank, Members of the Syndicate, Registered Brokers, RTAs and CDPs <sup>(2)</sup> , etc)	[●]	[●]	[●]
Issue relating expenses such as fees to Lead manager Fixed Fee, Registrar to the Issue Legal Advisors, Auditors, Consultants, Paper Advertisements and other expenses incurred/ to be incurred including promotional expenses.	[●]	[●]	[●]
Listing fees, Stock Exchange processing/ listing fees, software fees, Depositories' fees and other regulatory expenses.	[●]	[●]	[●]
<b>Total estimated Issue expenses</b>	[●]	[●]	[●]

As on the date of Draft Prospectus our Company has incurred ₹ 16.00 Lakhs towards Issue expenses out of internal accruals duly verified by M/s SSRV & Co., Chartered Accountants vide their Certificate dated March 24, 2023.

<sup>(1)</sup> Issue expenses excluding applicable taxes, where applicable. Issue expenses are estimates and are subject to change.

<sup>(2)</sup> Includes commission/Processing fees of ₹ [●] per valid application forms for SCSBs. In case the total processing fees payable to SCSBs exceeds ₹ [●] lakh, 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 ₹ [●] lakh.

#### Schedule of Implementation & Deployment of Funds

The proposed year wise break up of deployment of funds and Schedule of Implementation of Net Issue Proceeds is as under:

Sr. No.	Particulars	Amount to be deployed and utilized in FY 2022-2023
1	Working Capital Requirements	180.00
2	General Corporate Purposes	[●]
3	Issue Expenses	[●]
	<b>Total Proceeds from the Issue</b>	[●]

#### Appraisal

None of the Objects have been appraised by any bank or financial institution or any other independent third-party organization. The funding requirements of our Company and the deployment of the proceeds of the Issue are currently based on available management estimates. The funding requirements of our Company are dependent on a number of factors which may not be in the control of our management, including but not limited to variations in interest rate structures, changes in our financial condition and current commercial conditions of our business and are subject to change in light of changes in external circumstances or in our financial condition, business or strategy.

#### Bridge Financing Facilities

Company has not raised any bridge loans from any bank or financial institution as on the date of this Draft Prospectus, which are proposed to be repaid from the Net Proceeds. However, depending on business exigencies, our Company may consider raising bridge financing for the Net Proceeds for Object of the Issue.

#### Interim Use of Funds

Pending utilization of the Issue Proceeds for the Objects of the Issue described above, our Company shall deposit the funds only in Scheduled Commercial Banks included in the Second Schedule of Reserve Bank of India Act, 1934. In accordance with Section 27 of the Companies Act, 2013, our Company confirms that, pending utilization of the proceeds of the Issue as described above, it shall not use the funds from the Issue Proceeds to buy, trade or otherwise deal in equity shares of any other listed company.

**Other confirmations**

There are no material existing or anticipated transactions with our Promoter, our Directors, our Company's key Managerial personnel, in relation to the utilization of the Net Proceeds. No part of the Net Proceeds will be paid by us as consideration to our Promoters, our Directors or key managerial personnel except in the normal course of business and in compliance with the applicable laws.

**Monitoring Utilization of Funds**

As the Net Proceeds of the Issue will be less than ₹ 10,000 Lacs, under the SEBI (ICDR) Regulations it is not mandatory for us to appoint a monitoring agency.

Our Board and the management will monitor the utilization of the Net Proceeds through our audit committee. Pursuant to Regulation 32 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, our Company shall on half-yearly basis disclose to the Audit Committee the applications of the proceeds of the Issue. On an annual basis, our Company shall prepare a statement of funds utilized for purposes other than stated in this Draft Prospectus and place it before the Audit Committee. Such disclosures shall be made only until such time that all the proceeds of the Issue have been utilized in full. The statement will be certified by the Statutory Auditors of our Company.

No part of the Issue Proceeds will be paid by our Company as consideration to our Promoters, our Directors, Key Management Personnel or companies promoted by the Promoters, except as may be required in the usual course of business.

**Variation in Objects**

In accordance with Section 13(8) and Section 27 of the Companies Act, 2013 and applicable rules, our Company shall not vary the objects of the Issue without our Company being authorized to do so by the Shareholders by way of a special resolution through postal ballot. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution (the "Postal Ballot Notice") shall specify the prescribed details as required under the Companies Act and applicable rules. The Postal Ballot Notice shall simultaneously be published in the newspapers, one in English, and one in the vernacular language of the jurisdiction where the Registered Office is situated. Our Promoter or controlling Shareholders will be required to provide an exit opportunity to such Shareholders who do not agree to the proposal to vary the objects, at such price, and in such manner, as may be prescribed by SEBI, in this regard.

## BASIS OF THE ISSUE PRICE

Investors should read the following summary with the section titled “Risk Factors”, the details about our Company under the section titled “Our Business” and its financial statements under the section titled “Financial Information” beginning on page 23, 83, and 128 respectively of this Draft Prospectus.

The trading price of the Equity Shares of Our Company could decline due to these risks and the investors may lose all or part of their investment.

The Issue Price is determined by our Company in consultation with the LM on the basis of the quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹ 10 each and the Issue Price is ₹ [●], which is [●] times the face value.

### Qualitative Factors

We believe that our business strengths listed below enable us to remain competitive in the business:

- Experienced Management team having domain knowledge to scale up and expand into new opportunities.
- Wide product portfolio addressing the needs of varied customers across the industry.
- Supply of quality snacks at an affordable price.
- Providing health and nutrition snacks with wide range of options; and
- Combining the rich Indian food culture with advanced method of making of snacks in a more healthy way.
- Extensive sales and distribution network.
- Improving operational efficiency.

### Quantitative factors

Information presented below is derived from our Company’s Restated Financial Statements prepared in accordance with Indian GAAP. Some of the quantitative factors, which form the basis for computing the price, are as follows:

#### 1. Basic and Diluted Earnings Per Share (EPS):

Financial Year / Period Ended	Basic EPS (in ₹)	Diluted EPS (in ₹)	Weights
December 31, 2022	10.08	10.08	1
<b>Weighted Average EPS</b>	<b>10.08</b>	<b>10.08</b>	

\*Source: Restated Financial Statements / Audited Financial Statements for the period ended December 31, 2022

Notes:

- Basic EPS and Diluted EPS calculations are in accordance with Accounting Standard 20 (AS-20) ‘Earnings per Share’, notified under Section 133 of Companies Act, 2013 read together along with paragraph 7 of the Companies (Accounts) Rules, 2014.
- Basic Earnings per share =  
Restated Profit Attributable to Equity Shareholders after tax before extra-ordinary items for the year  
Equivalent Weighted Average number of Equity Shares at the end of the year / period
- Diluted Earnings per share  
Restated Profit Attributable to Equity Shareholders after tax before extra-ordinary items for the year  
Equivalent Weighted Average number of Equity Shares at the end of the year / period
- The face value of each Equity Share is ₹10.
- Weighted average = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. [(EPS x Weight) for each fiscal] / [Total of weights].
- For further details, please refer to Annexure 28 – “Restated Statement of Accounting Ratios” under chapter titled “Financial Information” beginning on page 128 of this Draft Prospectus.
- Weighted average number of Equity Shares are the number of Equity Shares outstanding at the beginning of the period/ year adjusted by the number of Equity Shares issued during the period/ year multiplied by the time weighing factor. The time weighing factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the period/ year. The figures disclosed above are based on the Restated Financial Information of our Company.

#### 2. Price/Earning (P/E) ratio in relation to Issue Price of ₹ [●]/-

Particulars	PE Ratio on Issue price
P/E ratio based on Basic EPS for the period ended December 31, 2022	[●]
P/E ratio based on Diluted EPS for the period ended December 31, 2022	[●]
Industry*	
Highest	82.2
Lowest	-



Particulars	PE Ratio on Issue price
Average	74.15

\*Industry Peers for the Company shall comprise of DFM Foods Limited, Nakoda Group of Industries Limited, Prataap Snacks Limited, Annapurna Swadisht Limited

### 3. Return on Net Worth (RONW)

Financial Year / Period Ended	Return on Net Worth (RONW) (%)	Weights
December 31, 2022	19.60	1

\*Source: Restated Financial Statements / Audited Financial Statements for the period ended December 31, 2022

#### Note:

○ The RONW has been computed using the below formula:

Restated Profit Attributable to Equity Shareholders after tax before extra-ordinary items for the year

Restated Net worth for the year / period

○ Weighted average Return on Net Worth = Aggregate of year-wise weighted RoNW divided by the aggregate of weights i.e. [(RoNW x Weight) for each fiscal year] / [Total of weights].

### 4. Net Asset value (NAV) per Equity Share

Particulars	In ₹
Net Asset Value per Equity Share as of period ended December 31, 2022	33.10
Issue Price per Equity Share	[●]
Net Asset Value per Equity Share after the Issue	[●]

#### Note:

- Net Asset Value per Equity Share has been calculated as net worth divided by number of equity shares outstanding at the end of the period.
- Net worth has been computed as the aggregate of share capital and reserves and surplus (excluding revaluation reserves, if any) of our Company.

### 5. Comparison of Accounting ratios with Peer Group Companies

₹ in Lakhs, except per share data

Name of the company	FV	FY / TTM	Period	Revenue from operations	Basic EPS	Diluted EPS	P/E	RONW	NAV
DFM Foods Limited	2.00	Dec 2022	TTM	60,300.0	-9.68	-9.68	NA	NA	25.88
Nakoda Group of Industries Limited	10.00	Dec 2022	TTM	6,221.0	0.64	0.64	82.2	11.4%	14.75
Prataap Snacks Limited	5.00	Dec 2022	TTM	1,62,800.0	-1.83	-1.83	NA	NA	262.28
Annapurna Swadisht Limited	10.00	Sept 2022	Half Yearly	6,561.9	1.75	1.75	66.1	5.16%	33.98
Sonalis Consumer Products Limited*	10.00	Dec 2022	Nine months	420.47	10.08	10.08	[●]	11.77%	33.10

(Source: [www.screener.in](http://www.screener.in))

\*Financial information for our Company is derived from Audited Financial Statements of our Company for the period ended December 31, 2022.

**The P/E Ratio of the peer group companies mentioned above is much higher than that of the Company. Therefore, our issue price of ₹ [●] per share at P/E Ratio of [●] is fully justified.**

The Company in consultation with the Lead Manager believes that the Issue price of ₹ [●] per share for the Public Issue is justified in view of the above parameters. The investors may also want to peruse the Risk Factors and Financials of the company including important profitability and return ratios, as set out in the section titled Financial Information included in this Draft Prospectus to have more informed view about the investment proposition. The Face Value of the Equity Shares is ₹10 per share and the Issue Price is [●] times of the face value. i.e. ₹ [●] per share.

## STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS

To  
The Board of Directors,  
**Sonalis Consumer Products Limited**  
Unit No 16, Ground Level,  
Loft & Basement Sethia Industrial Estate,  
Tungareshwar Phata, Vasai – East,  
Palghar, Thane - 410208

Dear Sirs,

**Sub: Statement of possible special tax benefit ('the Statement') available to Sonalis Consumer Products Limited and its shareholders prepared in accordance with the requirements under Schedule VI of the SEBI (ICDR) Regulations, 2018 as amended (the 'ICDR Regulation')**

We hereby confirm that the enclosed annexure, states the possible special tax benefits available to the Company and the shareholders of the Company under the Income Tax Act, 1961 ('Act') as amended time to time, the Gift Tax Act, 1958, presently in force in India for the FY 2023 and corresponding Assessment Year 2023– 24. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the company may or may not choose to fulfil.

Further, these benefits are neither exhaustive nor conclusive and the preparation of the contents stated herein are based on the information and explanations obtained from the Company. We are informed that this statement is only intended to provide general information to the investors and hence is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, 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 are we advising the investor to invest money or not to invest money based on this statement.

Our views are based on the existing provisions of the Act and its interpretations, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. Any such change, which could also be retroactive, could have an effect on the validity of our views stated herein. We assume no obligation to update this statement on any events subsequent to its issue, which may have a material effect on the discussions herein.

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

- the Company or its Shareholders will continue to obtain these benefits in future; or
- the conditions prescribed for availing the benefits, where applicable have been/would be met.
- the revenue authorities / courts will concur with the views expressed herein.

The enclosed Annexure is intended solely for your information and for inclusion in the Draft Prospectus/Prospectus or any other issue related material in connection with the proposed issue of equity shares and is not to be used, referred to or distributed for any other purpose without our prior written consent.

Yours faithfully,  
For SSRV & Associates,  
Chartered Accountants  
(Firm Registration No.- 136752W)

**Sd/-**  
Vishnu Kant Kabra  
Partner  
Membership No: 403437  
UDIN: 23403437BGWCXL6153  
Place: Mumbai  
Date: March 24, 2023  
Encl: a/a

## **Annexure to the Statement of Possible Tax Benefits**

Outlined below are the possible Special tax benefits available to the Company and its shareholders under the Income Tax Act, 1961 presently forced 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 different interpretation on the benefits, which an investor can avail.

**YOU SHOULD CONSULT YOUR OWN TAX ADVISORS CONCERNING THE INDIAN TAX IMPLICATIONS AND CONSEQUENCES OF PURCHASING, OWNING AND DISPOSING OF EQUITY SHARES IN YOUR PARTICULAR SITUATION.**

**1. Special Tax Benefits available to the Company under the Act:**

The Company is not entitled to any Special tax benefits under the Act.

**2. Special Tax Benefits available to the shareholders of the Company**

The Shareholders of the company are not entitled to any Special tax benefits under the Act.

**Notes:**

1. All the above benefits are as per the current tax laws and will be available only to the sole / first name holder where the shares are held by joint holders.
2. The above statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.

No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement.

**Signed in terms of our separate report of even date.**

For SSRV & Associates,  
Chartered Accountants  
(Firm Registration No.- 136752W)

Sd/-  
Vishnu Kant Kabra  
Partner  
Membership No: 403437  
UDIN: 23403437BGWCXL6153  
Place: Mumbai  
Date: March 24, 2023

INDUSTRY OVERVIEW

The information in this section has been extracted from various websites and publicly available documents from various industry sources. The data may have been re-classified by us for the purpose of presentation. None of the Company and any other person connected with the Issue have independently verified this information. Industry sources and publications generally state that the information contained therein has been obtained from believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projection forecasts and assumptions that may prove to be incorrect. Accordingly, investors should not place undue reliance on information.

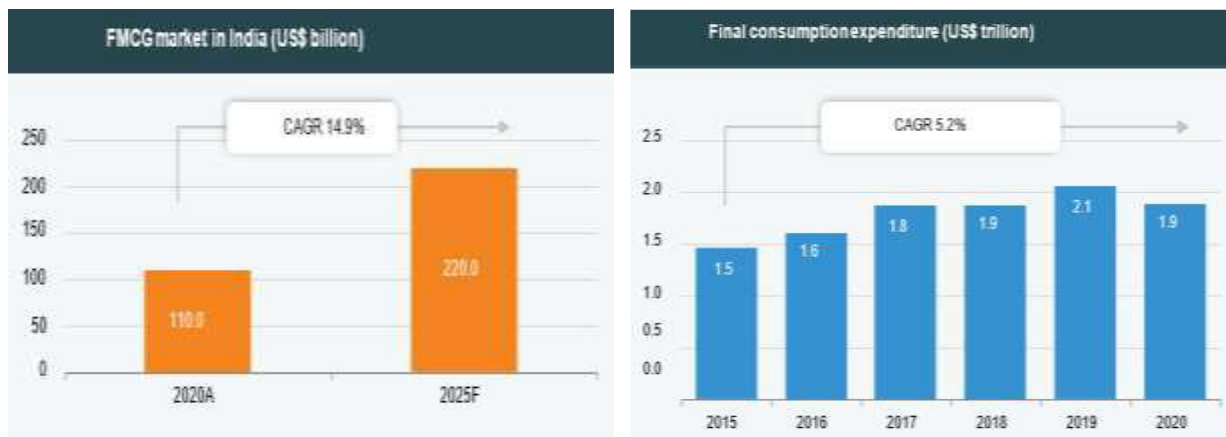
FAST MOVING CONSUMER GOODS INDUSTRY(FMCG)

INTRODUCTION

Fast-moving consumer goods (FMCG) sector is India's fourth-largest sector with household and personal care accounting for 50% of FMCG sales in India. Growing awareness, easier access and changing lifestyles have been the key growth drivers for the sector. The urban segment (accounts for a revenue share of around 55%) is the largest contributor to the overall revenue generated by the FMCG sector in India. However, in the last few years, the FMCG market has grown at a faster pace in rural India compared to urban India. Semi-urban and rural segments are growing at a rapid pace and FMCG products account for 50% of the total rural spending.

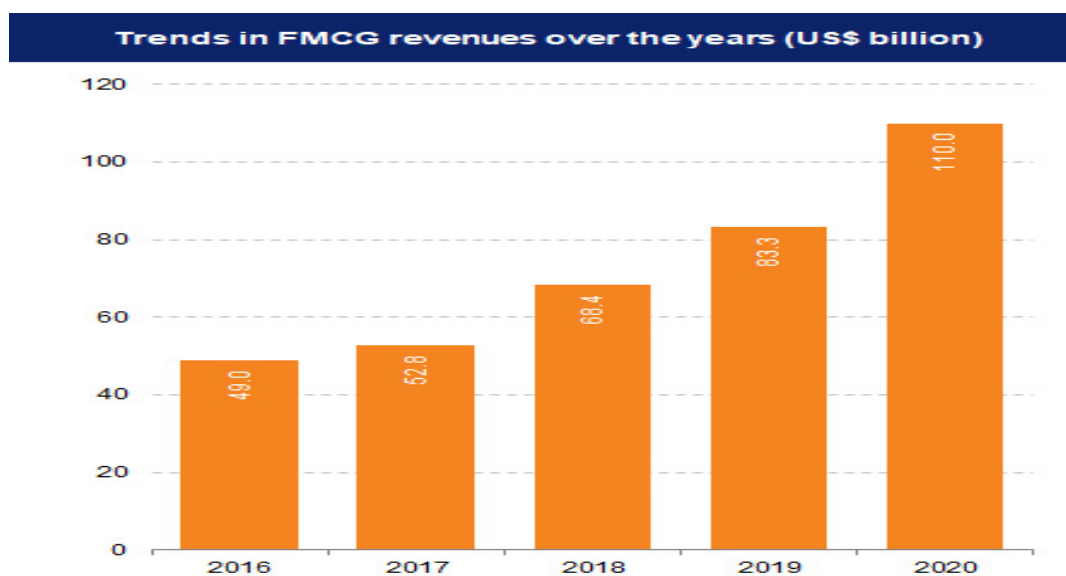
Favourable demographics and rise in income level will boost the FMCG market. The FMCG market in India is expected to increase at a CAGR of 14.9% to reach US\$ 220 billion by 2025, from US\$ 110 billion in 2020. The urban segment contributes to about 55% of the revenue share, while the rural segment accounts for 45%. Rise in rural consumption will drive the FMCG market.

In September 2021, rural consumption of FMCG increased 58.2% YoY; this is 2x more than the urban consumption (27.7%). The Indian FMCG industry grew by 16% in CY21 a 9-year high, despite nationwide lockdowns. In June 2021, MoM growth in FMCG sales value in urban and rural markets was 63.6% and 32.8%, respectively. Tier-II cities led the way in urban growth, with a 23.7% MoM increase in monthly stocking per kirana, whereas stocking in rural kirana only climbed by 2%. The FMCG sector's revenue growth will double from 5-6% in FY21 to 10-12% in FY22, according to CRISIL Ratings. Price increases across product categories will offset the impact of rising raw material prices, along with volume growth and resurgence in demand for discretionary items, are driving growth. Number of households shopping on modern-trade channel grew 29.15% YoY in the September quarter and shopping volume on the channel went up by 19.2% YoY.



(Source: <https://www.ibef.org/industry/fmcg>)

MARKET SIZE



The FMCG market in India is expected to increase at a CAGR of 14.9% to reach US\$ 220 billion by 2025, from US\$ 110 billion in 2020. The Indian FMCG industry grew by 16% in CY21 a 9-year high, despite nationwide lockdowns, supported by consumption-led growth and value expansion from higher product prices, particularly for staples. The rural market registered an increase of 14.6% in the same quarter and metro markets recorded positive growth after two quarters. Final consumption expenditure increased at a CAGR of 5.2% during 2015-20. According to Fitch Solutions, real household spending is projected to increase 9.1% YoY in 2021, after contracting >9.3% in 2020 due to economic impact of the pandemic. The FMCG sector's revenue growth will double from 5-6% in FY21 to 10-12% in FY22, according to CRISIL Ratings. Price increases across product categories will offset the impact of rising raw material prices, along with volume growth and resurgence in demand for discretionary items, are driving growth. The FMCG sector grew by 36.9% in the April-June quarter of 2021 despite lockdowns in various parts of the country. Number of households shopping on modern-trade channel grew 29.15% YoY in the September quarter and shopping volume on the channel went up by 19.2% YoY.

In September 2021, rural consumption of FMCG increased 58.2% YoY; this is 2x more than the urban consumption (27.7%). In the third quarter of FY20 in rural India, FMCG witnessed a double-digit growth recovery of 10.6% due to various government initiatives (such as packaged staples and hygiene categories); high agricultural produce, reverse migration, and a lower unemployment rate. Rise in rural consumption will drive the FMCG market. The Indian processed food market is projected to expand to US\$ 470 billion by 2025, up from US\$ 263 billion in 2019-20. FMCG giants such as Johnson & Johnson, Himalaya, Hindustan Unilever, ITC, Lakmé and other companies (that have dominated the Indian market for decades) are now competing with D2C-focused start-ups such as Mamaearth, The Moms Co., Bey Bee, Azah, Nua and Pee Safe. Market giants such as Revlon and Lotus took ~20 years to reach the Rs. 100 crore (US\$ 13.4 million) revenue mark, while new-age D2C brands such as Mamaearth and Sugar took four and eight years, respectively, to achieve that milestone.

Companies with dedicated websites recorded an 88% YoY rise in consumer demand in 2020. Since then, more businesses have begun to adopt the D2C model, and India is now home to >800 D2C brands looking at a US\$ 101 billion opportunity by 2025. E-commerce companies reported sales worth US\$ 9.2 billion across platforms in October and November (2021), driven by increased shopping during the festive season. With festive season sales, Flipkart Group emerged as the leader with a 62% market share. Advertising volumes on television recorded healthy growth in the July-September quarter, registering 461 million seconds of advertising, which is the highest in 2021. FMCG continued to maintain its leadership position with 29% growth in ad volumes against the same period in 2019. Even the e-commerce sector showed a healthy 26% jump over 2020.

(Source : <https://www.ibef.org/industry/fmcb>)

### THREE MAIN SEGMENT OF FMCG



## F&B (FOOD AND BEVERAGE)-SNACKS INDUSTRY

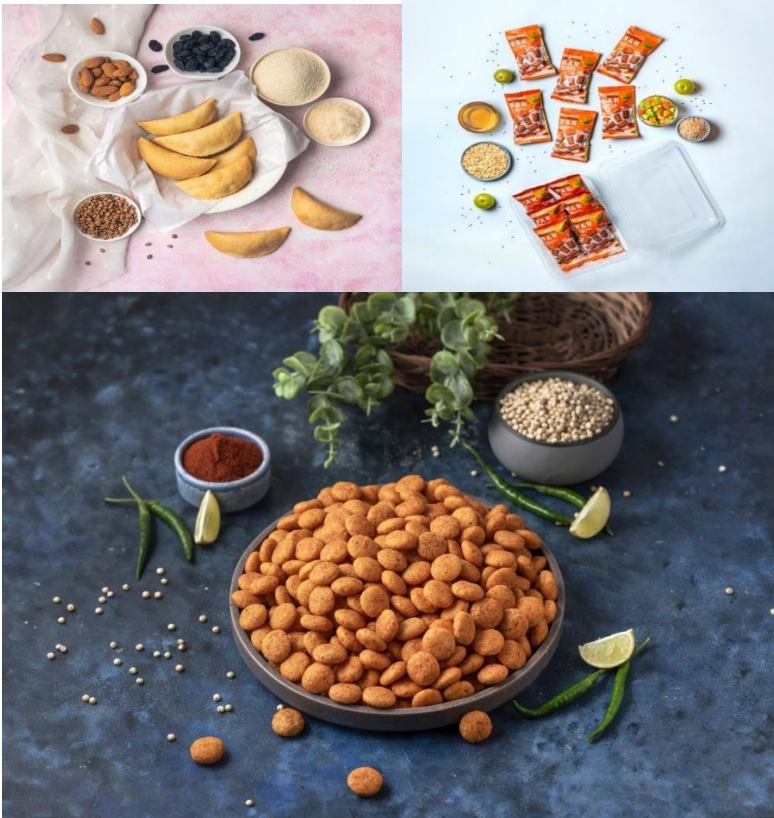
The snack industry is expanding fast, with the snacks market in India growing multi fold year on year. Snack market hyper-growth has led to hyper-competition among snacks companies, which now focus on innovative product development, ramping up a distribution network, and price promotions to stay ahead of the game. Snacks also act as impulse purchases for consumers for snacks foods available at retail shops serve as snacks whenever you shop for groceries or purchase snacks from convenience stores. And snacks manufacturers create new snacks products by making slight changes in ingredients, packaging, shape, or form of an existing snacks product.

The snacks industry in India is growing faster than snacks growth, and snacks market size and snack revenue growth are expected to increase by 25% yearly. The snacks industry has seen tremendous growth, with snacks manufacturers investing more in snacks research and development, new product development, branding of snacks products, expansion into more unique markets, etc. Many new snacks food startups have also come up during the past few years that have opened up snacks manufacturing opportunities for professionals and entrepreneurs.

The process involved in snacks food preparation requires good planning and mixing of the right amount of ingredients according to different recipes or requirements. Snacks food products are made from various kinds of materials like flour, salt, oil, vegetables, fruits, snacks items, etc. the snacks manufacturer is responsible for snacks quality and snacks safety of the snacks food product that they manufacture, which requires expertise in snacks manufacturing or snacks food technology.

Startups snacks manufacturers can avail themselves of several tax benefits from the Indian Government for their registered snack manufacturing business. Startups in the snacks industry can claim a rupee one deduction on central taxes paid during initial years of launch, interest-free loans for snacks plant and machinery that are considered crucial to the production process, 100% exemption on profits earned by snacks company during first five years of kicking off business operations, etc. list of government subsidies offered to snacks manufacturers is quite long.





## INVESTMENTS

The Government has allowed 100% Foreign Direct Investment (FDI) in food processing and single-brand retail and 51% in multi-brand retail. This would bolster employment, supply chain and high visibility for FMCG brands across organized retail markets thereby bolstering consumer spending and encouraging more product launches. The sector witnessed healthy FDI inflows of US\$ 20.01 billion from April 2000-December 2021.

Some of the recent developments in the FMCG sector are as follows:

1. In February 2022, Dabur India, formed an exclusive partnership with energy provider Indian Oil, which will give Dabur's products direct access to around 140 million Indane LPG consumer households across India.
2. Because a startup in India, is revolutionizing the FMCG market with low-cost, environmentally friendly consumer goods.
3. In February 2022, Dabur India achieved its goal to collect, process, and recycle approximately 22,000MT of post-consumer plastic three months early.
4. In February 2022, Marico Ltd announced its aims to achieve net-zero emissions by 2040 in its global operations.
5. In November 2021, Tata Consumer Products (TCPL) signed definitive agreements to acquire 100% equity shares of Tata Smart Foodz Limited (TSFL) from Tata Industries Limited for a cash consideration of Rs. 395 crore (US\$ 53.13 million). This move was in line with TCPL's strategic intent to expand into the value-added categories.
6. In November 2021, Unilever Plc agreed to sell its global tea business to CVC Capital Partners for EUR 4.5 billion (US\$ 5.1 billion). The business being sold—Ekaterra—hosts a portfolio of 34 tea brands, including Lipton, PG Tips, Pukka Herbs and TAZO.
7. In November 2021, McDonald's India partnered with an FMCG company ITC to add a differentiated fruit beverage, B Natural, to its Happy Meal, which will be available across all McDonald's restaurants in South and West India, primarily catering to children aged 3–12 years.
8. In October 2021, Procter & Gamble announced an investment of Rs. 500 crore (US\$ 66.8 million) in rural India.

9. In September 2021, PepsiCo commissioned its Rs. 814 crore (US\$ 109.56 million) Kosi Kalan foods facility in Mathura, Uttar Pradesh; it is the company's largest greenfield manufacturing investment in India.
10. In September 2021, Adani Wilmar announced the opening of physical stores under the name 'Fortune Mart' that will exclusively sell Fortune and other Adani Wilmar brand products.
11. In August 2021, Apnaklub, a Bengaluru-based B2B wholesale marketplace for consumer goods, raised US\$ 3.5 million in a seed round from Sequoia Capital India's Surge, increasing the total funds to US\$ 5 million.
12. In August, Adani Wilmar, a 50/50 joint venture between Adani Group and Singapore-based Wilmar, filed for initial public offering (IPO) to raise up to Rs. 4,500 crore (US\$ 607.13 million) for expansion.
13. In the fourth quarter of FY21, e-commerce sales of Marico Ltd., Hindustan Unilever Ltd., Dabur India, ITC and Godrej Consumer Products Ltd. were 8%, 6%, 5%, 5%, and 4%, respectively, of the total FMCG sales.
14. In July 2021, Tata Consumer Products Ltd. introduced 'Eight O'Clock', America's Original Gourmet Coffee, under D2C, besides Tata Coffee 1868 and Sonnets, as a part of its strategy to enhance its D2C approach for select coffee brands and their specific websites. The company plans to add more brands in the D2C space as these three coffee brands stabilize.
15. In July 2021, HUL launched in-store vending machine model, Smart Fill machine, for its home care products with the aim to reuse and recycle plastic. Smart Fill machine will allow consumers to reuse plastic bottles by refilling products from its brands like Surf Excel, Comfort and Vim.
16. As of June 2021, e-commerce share has already touched 7-8% for some of the largest FMCG companies in the country, according to Accenture India.
17. In June 2021, Dabur India announced its Rs. 550 crore (US\$ 75.6 million) investment to set up a new plant in Madhya Pradesh for manufacturing of food products, ayurvedic medicines and health supplements.
18. In May 2021, Tata Digital Ltd., a 100% subsidiary of Tata Sons, acquired a 64.3% stake in supermarket grocery supplies, the business-to-business arm of BigBasket in tandem with Tata Group's strategy to build a digital consumer ecosystem. According to the Economic Times, the deal is worth US\$ 1.8-2 billion.
19. In May 2021, Nepal-based CG Corp Global, known for its popular noodles brand Wai, announced its plan to invest Rs. 200 crore (27.42 million) to set up two new manufacturing plants in West Bengal and Uttar Pradesh.

(Source : <https://www.ibef.org/industry/fmcb>)

## GOVERNMENT INITIATIVE

Some of the major initiatives taken by the Government to promote the FMCG sector in India are as follows:

- As per the Union Budget 2022-23:
  - (i) Rs. 1,725 crore (US\$ 222.19 million) has been allocated to the Department of Consumer Affairs.
  - (ii) Rs. 215,960 crore (US\$ 27.82 billion) has been allocated to the Department of Food and Public Distribution.
  - (iii) In FY 2021-22, the government approved Production Linked Incentive Scheme for Food Processing Industry (PLISFPI) with an outlay of Rs. 10,900 crore (US\$ 1.4 billion) to help Indian brands of food products in the international markets.
- The government's production-linked incentive (PLI) scheme gives companies a major opportunity to boost exports with an outlay of US\$ 1.42 billion.
- In November 2021, Flipkart signed an MoU with the Ministry of Rural Development of the Government of India (MoRD) for their ambitious Deendayal Antyodaya Yojana – National Rural Livelihood Mission (DAY-NRLM) Programme to empower local businesses and self-help groups (SHGs) by bringing them into the e-commerce fold.
- Companies are counting on recent budget announcements like direct transfer of Rs. 2.37 lakh crore (US\$ 30.93 billion) in minimum support payment (MSP) to wheat and paddy farmers and the integration of 150,000 post offices into the core banking system to expand their reach in rural India.



- On November 11, 2020, Union Cabinet approved the production-linked incentive (PLI) scheme in 10 key sectors (including electronics and white goods) to boost India's manufacturing capabilities, exports and promote the 'Atmanirbhar Bharat' initiative.
- Developments in the packaged food sector will contribute to increased prices for farmer and reduce the high levels of waste. In order to provide support through the PLI scheme, unique product lines— with high-growth potential and capabilities to generate medium- to large-scale jobs—have been established.
- The Government of India has approved 100% FDI in the cash and carry segment and in single-brand retail along with 51% FDI in multi-brand retail.
- The Government has drafted a new Consumer Protection Bill with special emphasis on setting up an extensive mechanism to ensure simple, speedy, accessible, affordable and timely delivery of justice to consumers.
- The Goods and Services Tax (GST) is beneficial for the FMCG industry as many of the FMCG products such as soap, toothpaste and hair oil now come under the 18% tax bracket against the previous rate of 23-24%. Also, GST on food products and hygiene products has been reduced to 0- 5% and 12-18% respectively.
- GST is expected to transform logistics in the FMCG sector into a modern and efficient model as all major corporations are re modelling their operations into larger logistics and warehousing.

## ADVANTAGES TO FMCG SECTOR

### 1. **Growing demand**

- The Indian processed food market is projected to expand to US\$ 470 billion by 2025, up from US\$ 263 billion in 2019-20.
- Rural India is witnessing increased demand for quality goods and services driven by upgraded distribution channels of FMCG companies.
- Rising digital connectivity in cities and rural areas is driving the demand for FMCG (through e- commerce portals).

### 2. **Higher investments**

- In September 2021, PepsiCo commissioned its Rs. 814 crore (US\$ 109.56 million) Kosi Kalan foods facility in Mathura, Uttar Pradesh; it is the company's largest greenfield manufacturing investment in India.
- In October 2021, Procter & Gamble announced an investment of Rs. 500 crore (US\$ 66.8million) in rural India.

### 3. **Policy support**

- Investment approval of up to 100% foreign equity in single brand retail and 51 % in multi-brand retail.
- The union government's production linked incentive (PLI) scheme gives companies a major opportunity to boost exports with an outlay of US\$ 1.42 billion.
- The minimum capitalization for foreign FMCG companies to invest in India is US\$ 100 million.

### 4. **Attractive opportunities**

- Low penetration levels in rural market offers room for growth.
- Dabur stepping-up product launches to sell only on E-commerce platforms.
- Disposable income in rural India has increased because of the direct cash transfer scheme.
- Exports is another growing segment.
- E-commerce segment is forecast to contribute 11% to the overall FMCG sales by 2030.

## EVOLUTION OF FMCG IN INDIA

- FMCG market reached US\$ 110 billion in 2020.
- FMCG sales at India's organized retail stores rose 22 % y-o-y in 2018.
- The market is expected reach US\$ 220 billion by 2025.
- E-commerce share of total FMCG sales is expected to increase by 11% by 2030.
- FMCG is the fourth-largest sector in the Indian economy.
- India's household and personal care is the leading segment, accounting for 50% of the overall market. Healthcare (31%) and food and beverages (F&B) (19%) comes next in terms of market share.
- Growing awareness, easier access and changing lifestyles have been the key growth drivers for the sector.

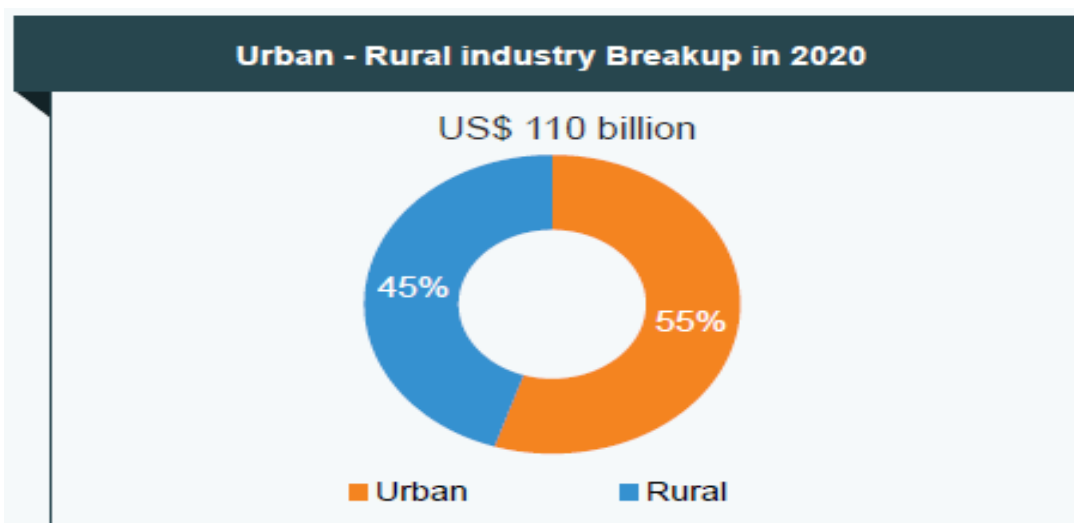
## STRONG GROWTH IN INDIAN FMCG SECTOR

- The FMCG sector's revenue reached US\$ 110 billion in 2020.
- FMCG sector will gain support for growth from Inland Waterways Authority of India (IWAI) multi-modal transportation

project of freight village at Varanasi, which will bring together retailers, warehouse operators and logistics service providers, and investment worth Rs. 1.7 billion (US \$25.35 million).

- In September 2021, rural consumption of FMCG increased 58.2% YoY; this is 2x more than the urban consumption (27.7%).
- In September 2021, FMCG major Godrej Consumer Products, announced that it is looking at clocking a double-digit growth in FY22 with expansion across various segments.
- The Indian FMCG business rose by 16% in CY21, a 9-year high.
- In June 2021, MoM growth in FMCG sales in urban and rural markets was 63.6% and 32.8%, respectively. Tier-II cities led the way in urban growth, with a 23.7% MoM increase in monthly stocking per kirana, whereas stocking in rural kiranas only climbed by 2%.
- The FMCG sector's revenue growth will double from 5-6% in FY21 to 10-12% in FY22. Price increases across product categories will offset the price of raw materials, along with volume growth and a resurgence in demand for discretionary items, will drive growth.

## URBAN MARKET ACCOUNTS FOR MAJOR CHUNK OF REVENUES



- Accounting for a revenue share of around 55%, urban segment is the largest contributor to the overall revenue generated by the FMCG sector in India.
- Rural segment is growing at a rapid pace and accounted for a revenue share of 45% in the overall revenues recorded by FMCG sector in India. FMCG products account for 50% of total rural spending.
- In the last few years, the FMCG market has grown at a faster pace in rural India compared to urban India.
- Demand for quality goods and services is on an upward trajectory in rural areas on the back of improved distribution channels of manufacturing and FMCG companies.
- The rural market registered an increase of 14.6% in the same quarter and metro markets recorded positive growth after two quarters.
- Number of households shopping on modern-trade channel grew 29.15% YoY in the September quarter and shopping volume on the channel went up by 19.2% YoY.

## GROWTH DRIVERS FOR INDIA'S FMCG SECTOR

### A. Shift To Organized Market

- Organized sector is expected to grow as the share of unorganized FMCG market has seen a fall with increased level of brand consciousness.
- Growth in modern retail will augment the growth of organized FMCG sector.

### B. Increase In Penetration

- Low penetration levels of branded products in categories like instant foods indicating a scope for volume growth.
- Investment in this sector attracts investors as FMCG products have demand throughout the year.

- Increase in food parks to 17, food processing capacity to 1.41 million and food labs to 42.
- ITC to invest Rs. 700 crore (US\$ 100 million) in food parks in Madhya Pradesh.
- As of February 2021, out of 39 Mega Food Park projects, 22 are operational, 15 are under implementation and 2 are In-principle approval.

### C. Rural Consumption

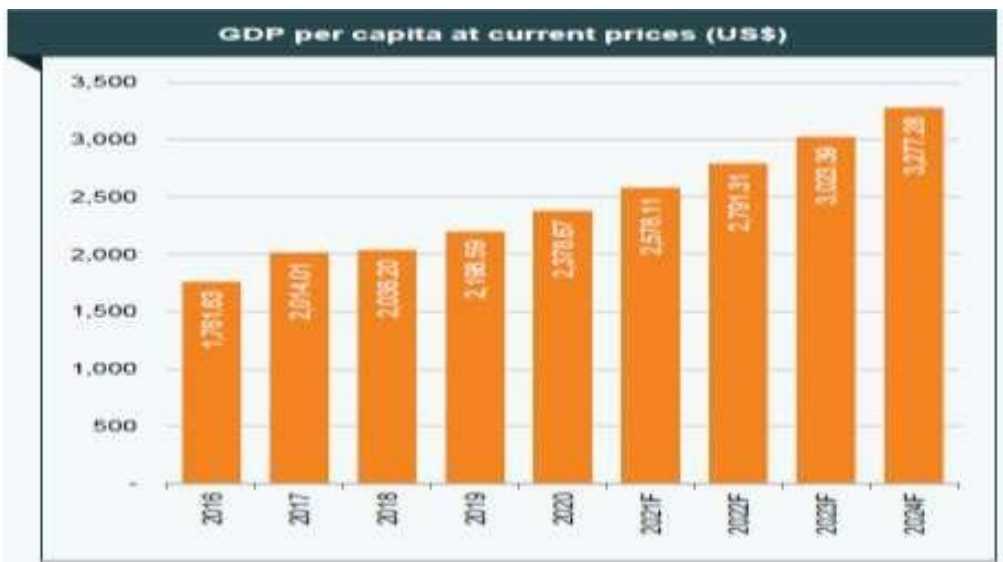
- Rural consumption has increased, led by a combination of increase in income and higher aspiration levels. There is an increased demand for branded products in rural India.
- Huge untapped rural market.

### D. Easy Access

- Availability of products has become way easier as internet and different channels of sales has made the accessibility of desired product to customers more convenient at required time and place.
- Online grocery stores and online retail stores like Grofers, Flipkart, and Amazon are making FMCG products more readily available.

(Source: <https://www.ibef.org/industry/fmcb>)

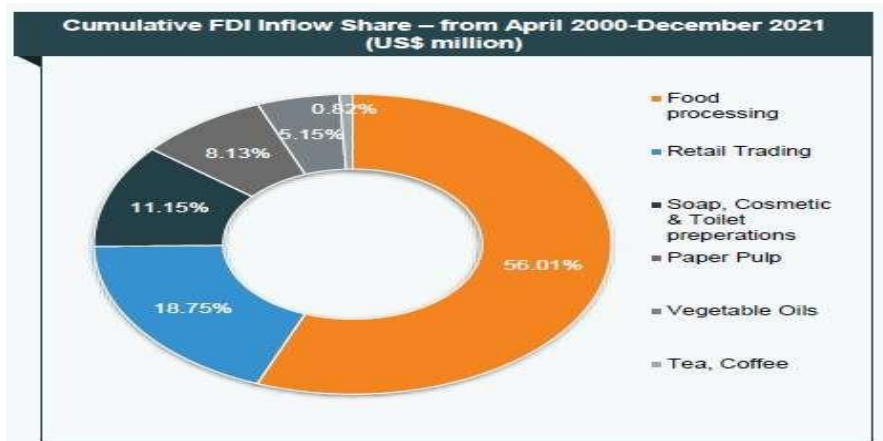
## HIGHER INCOME AND GROWTH URBEN AND RURAL MARKET



- Incomes have risen at a brisk pace in India and will continue rising given the country's strong economic growth prospects.
- India's GDP per capita at current prices is expected to increase from US\$ 1,761.63 in 2016 to US\$ 3,277.28 in 2024.
- An important consequence of rising incomes is growing appetite for premium products, primarily in the urban segment.
- As the proportion of 'working age population' in total population increases, per capita income and GDP are expected to surge.

(Source : <https://www.ibef.org/industry/fmcb>)

## BOOSTS IN FDI INFLOWS AND INVESTMENTS



- 100% FDI is allowed in food processing and single-brand retail and 51% in multi-brand retail.
- This would bolster employment and supply chains and provide high visibility for FMCG brands in organized retail markets, bolstering consumer spending and encouraging more product launches.
- The sector recorded an FDI of US\$ 20.01 billion between April 2000- December 2021.
- In August 2021, Soothe Healthcare, an Indian personal hygiene products brand, raised Rs. 130 crore (US\$ 17.54 million) in a Series- C round of funding from A91 Partner Partners.
- In August 2021, Adani Wilmar, a 50/50 joint venture between Adani Group and Singapore-based Wilmar, filed for initial public offering (IPO) to raise up to Rs. 4,500 crore (US\$ 607.13 million) for expansion.
- In September 2021, PepsiCo commissioned its Rs. 814 crore (US\$ 109.56 million) Kosi Kalan foods facility in Mathura, Uttar Pradesh; it is the company's largest greenfield manufacturing investment in India.
- In September 2021, Vahdam India, an Indian tea brand, raised Rs. 174 crore (US\$ 24 million) as part of its Series D round led by IIFL AMC's Private Equity Fund.

## GROWTH OPPORTUNITIES IN THE INDIAN ECONOMY

### 1. Sourcing base

Indian and multinational FMCG players can leverage India as a strategic sourcing hub for cost competitive product development and manufacturing to cater to international markets.

### 2. Penetration

Low penetration levels offer room for growth across consumption categories.

Major players are focusing on rural markets to increase their penetration in those areas.

### 3. Online FMCG

The online FMCG market is projected to reach US\$ 65 billion in 2022 from the US\$ 20 billion recorded in 2017.

### 4. Premium products

With the rise in disposable income, mid- and high-income consumers in urban areas have shifted their purchase trend from essential to premium products.

Premium brands are manufacturing smaller packs of premium products. Example: Dove soap is available in 50g packaging.

Nestle is looking to expand its portfolio in premium durables cereals, pet care, coffee, and skin health accessing the potential in India.

### 5. Innovative products

Indian consumers are highly adaptable to new and innovative products. For instance, there has been an easy acceptance of men's fairness creams and bread grooming products, flavored yoghurt, cuppa mania noodles, gel based facial bleach, drinking yogurt, sugar free chyawanprash.

### 6. Rural Market

Leading players of consumer products have a strong distribution network in rural India. They also stand to gain from the

contribution of technological advances like internet and e-commerce to better logistics.

## **ROAD AHEAD**

Rural consumption has increased, led by a combination of increasing income and higher aspiration levels. There is an increased demand for branded products in rural India. On the other hand, with the share of unorganized market in the FMCG sector falling, the organized sector growth is expected to rise with increased level of brand consciousness, augmented by the growth in modern retail.

Another major factor propelling the demand for food services in India is the growing youth population, primarily in urban regions. India has a large base of young consumers who form majority of the workforce, and due to time constraints, barely get time for cooking.

Online portals are expected to play a key role for companies trying to enter the hinterlands. Internet has contributed in a big way, facilitating a cheaper and more convenient mode to increase a company's reach. The number of internet users in India is likely to reach 1 billion by 2025. It is estimated that 40% of all FMCG consumption in India will be made online by 2020. The online FMCG market is forecast to reach US\$ 45 billion in 2020 from US\$ 20 billion in 2017.

It is estimated that India will gain US\$ 15 billion a year by implementing GST. GST and demonetization are expected to drive demand, both in the rural and urban areas, and economic growth in a structured manner in the long term and improved performance of companies within the sector.

(Source : <https://www.ibef.org/industry/fmcg>)

## OUR BUSINESS

### **BUSINESS OVERVIEW**

*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 17 of this Draft 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 23. 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 and extracted from various websites and publicly available documents from various industry sources. This section should be read in conjunction with the “Industry Overview” on page 73 of this Draft Prospectus. Our Financial Year ends on March 31 of each year, and references to a particular Financial Year are to the 12-month period ending 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 Prospectus on page 151.*

*Unless the context otherwise requires, in relation to business operations, in this chapter of this Draft Prospectus, all references to “we”, “us”, “our” and “Our Company” are to Sonalis Consumer Products Limited as the case may be.*

### **OVERVIEW**

Our Company was incorporated as ‘Sonalis Consumer Products Limited’ pursuant to a Certificate of Incorporation dated March 15, 2022 issued by the Registrar of Companies, Central Registration Centre, as a Public Company under the provisions of the Companies Act, 2013. The Corporate Identification Number of our Company is U15490MH2022PLC378461. We acquired the running business of the Partnership Firm, M/s. Appetite Food pursuant to the Business Transfer Agreement dated May 15, 2022.

Our history and lineage traces back to Ms. Sonali Nilesh Kocharekar and Ms. Smita Shashikant Shah, both avid health aware foodies, who savoured nutritious snacks in the compact form of Nutri -Bars and healthy Indian trail mixes. They created a line of nutritious bars and snacks that are made out of various Nuts, Seeds, Flours, Healthy oil and various spices under the brand name of “Appetite Food” a Partnership firm, incorporated on March 5, 2020.

Our Company has absorbed the business line & distribution network of Appetite Food. Since, Appetite Food has already been in active business for approximately for three years, it provides an ideal platform for the Company to grow / expand its business in the region. We have over the years leveraged our understanding of our target markets and consumer segments, product innovation capabilities, distribution network, strategically located manufacturing facilities and have focused our marketing and promotional activities to strengthen our product brands and establish our brands across India.

Our diversified product portfolio includes five categories:

- *Granola Bar:* These products are made out of 100% fruits and nuts cooked in honey in bar form. Our products under this category include C-Bars, IMU-Bars, O-Bars, Pro-Bars and Ragi Bars. We sell these products under our brand “Appetite Food”.
- *Laddu:* A product made out of grains, pulses, nuts, dry fruits and healthy oils in to spherical form. Our products under this category include Mithi Laddu, Multigrain Laddu, Mung Laddu, Oats Laddu, Ragi Laddu and Spirulina Laddu. These laddus are made from various whole-grain flours, Ghee, Jaggery, Dry fruits, Nuts etc. without adding any preservatives or flavors and colors.
- *Chakli:* Chakli is a deep-fried snack made from rice flour, gram flour, wheat flour or a mixture of lentil flours.
- *Chivda:* Under this category our product Chivda is a delicious savory snack made with flattened rice (rice flakes/poha), peanuts, daliya dal, cashew nuts, raisins and spices. It is a healthy alternative to high cholesterol and sugar concentrated products.
- *Sev:* Sev is a noodle type crispy snack made from gram flour.

We seek to differentiate ourselves from our competitors through introduction of new products, including launching innovative flavours targeted at addressing diversified consumer tastes, market trends and providing product which are value for money to the consumers. Our diversified product portfolio enables us to cater to a wide range of taste preferences and consumer segments, including adults, young and children. Our products in the granola Bars, Diet Bhel and Healthy Pop-ups are primarily targeted at the youth while our other products are for all consumer segments. Our diversified product portfolio is therefore, relatively less susceptible to shifts in consumer preferences,

market trends and risks of operating in a particular product segment.

We manufacture range of products under the private labeling arrangement and contract manufacturing arrangements with our customers and also trade in Agro products.

All our products are manufactured in-house at our manufacturing facilities located in Vasai, which enables us to have an effective control over the manufacturing process and to ensure consistent quality of our products. Our manufacturing facility is strategically located in proximity to our source of raw materials, which minimizes freight and logistics related time and expenses. Our manufacturing facility is generally equipped with modern and semi-automated production processes, with specialized custom-made manufacturing equipment obtained from national and international suppliers. We have received several quality control checks by professionals and Food Safety and Standards Authority of India (FSSAI).

Over the years, we have developed a large pan-India distribution network in the general trade and through our distributors, we also supply in the modern trade segment. During the period ended December 31, 2022, we distributed our products across 3 states Maharashtra, Gujarat and Goa aggregating to INR 420.47 Lakhs. Our regional focused distribution network has enabled us efficiently to increase market penetration.

With Indian Government vision of “International Year Of Millets (IYoM) – 2023” we have created a new range of millet based Bar and Laddu to export in year 2023, we are already in talk with companies like Vgrowfarms, Home story and importers from United States & Europe, under third party private labels.

We have a dedicated team which has enabled us to develop an effective business model with stringent control over processes, including raw ingredient procurement, manufacturing operations, inventory management across our large range of products and SKUs, management of distribution logistics across India, as well as managing deemed export sales. We also have an information technology system that enables us to coordinate our operations from manufacturing to logistics and transport, inventory management, invoicing, cost management, which helps in making timely, effective and meaningful decisions. We adhere to stringent product quality standards and closely track consumer preferences across segments from cross-section of markets in India.

M/s Appetite Foods, was running its business since March 5, 2020 which was taken over by our Company (including all its movable assets, current assets and liabilities) at a total consideration of ₹ 12.87 Lakhs in terms of Business Transfer Agreement dated May 15, 2022. The table below sets forth certain key operational and financial metrics showcasing consistent revenue growth and profitability of our Company assuming Appetite Foods were part of our Company since beginning:

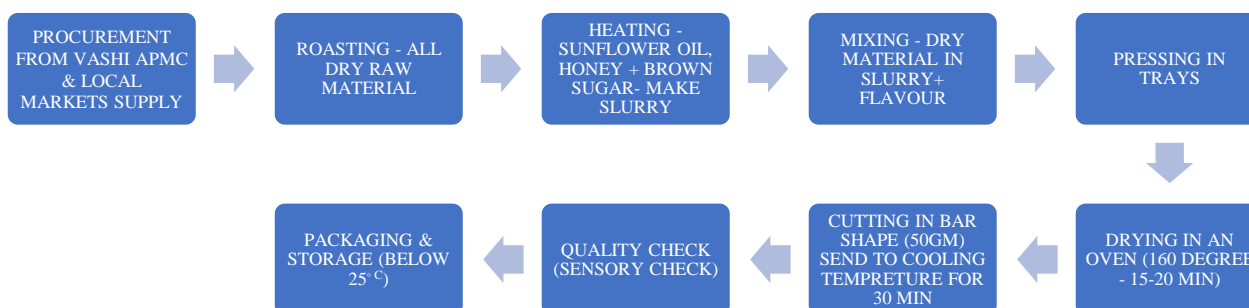
(₹ in Lakhs, except percentages)

Particulars	For the period ended December 31, 2022	Fiscal 2022	Fiscal 2021
Revenue from operations	420.47	93.13	5.6
EBITDA	92.77	1.34	0.67
EBITDA margin	22.06%	1.44%	11.96%
Profit after tax	68.45	0.82	0.4
Profit after tax margin	16.28%	0.88%	7.14%

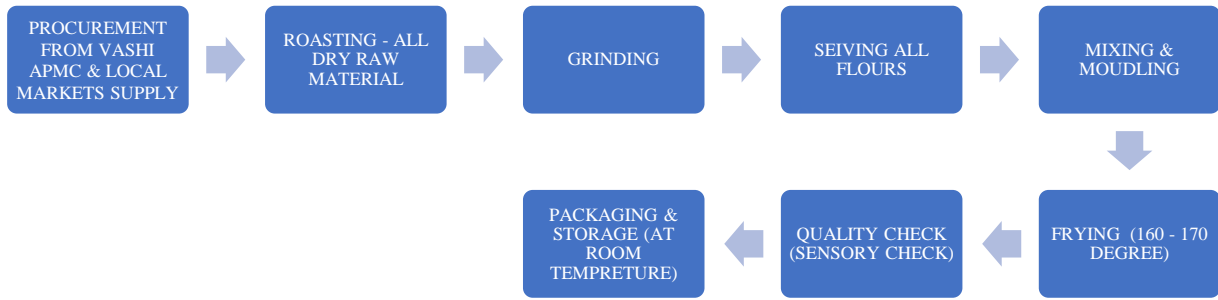
## PROCESS OF MAKING PRODUCT

Our main product is divided into five Categories. We make sure of using high-end quality of ingredients and hygiene environment in the making our products. Detailed process of manufacturing for every product is as follows:

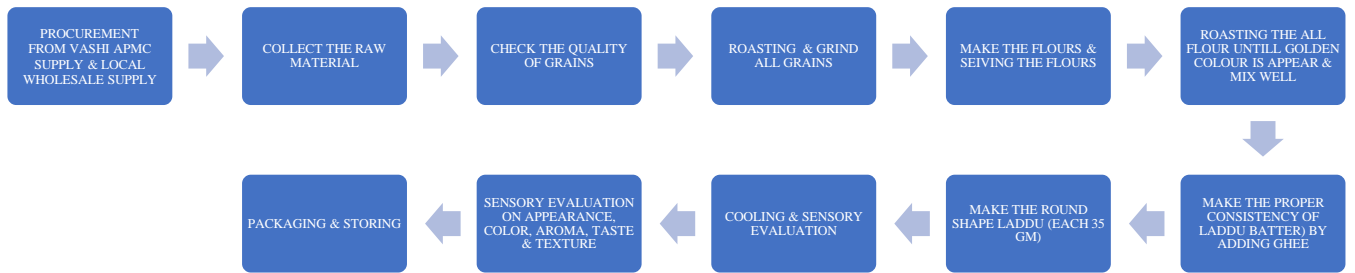
### A. GRANOLA BARS



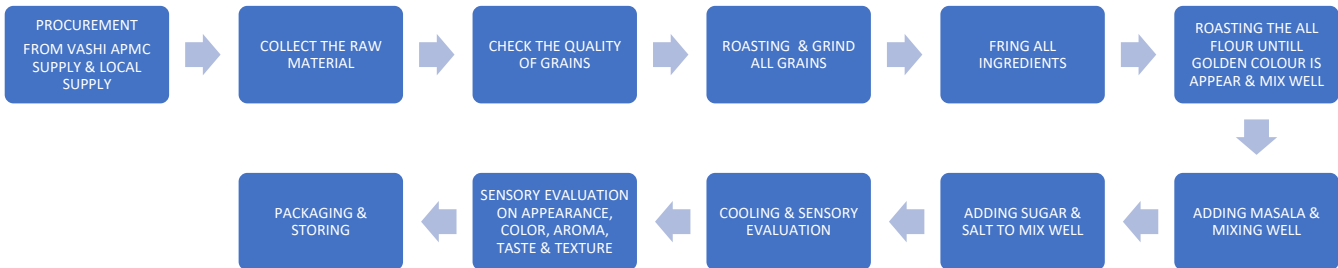
### B. CHAKLI



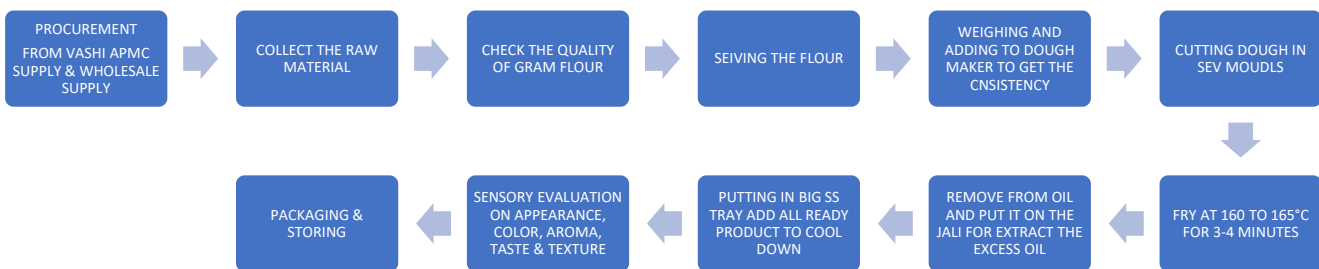
**C. LADDU**



**D. CHIVDA**



**E. SEV**



**OUR STRENGTHS**

We believe the following competitive strengths contribute to our success and position us well for future growth:

**We believe that we are amongst the few organized players in the Granola Bars & Diet Bhel segment of confectionaries with a well-established distribution network.**



We believe that we are one of the few organized players in the Granola Bars and Diet Bhel segment, with a state of the art manufacturing facility in Mumbai and a well-established regional distribution network. We believe that we have been able to create a market for our products and expand our operation to achieve economies of scale that other unorganized producers of Granola Bars and snacks are unable to do.

Our manufacturing facility and our manufacturing process is managed by experienced team who ensure the quality control. We believe that by exercising greater control over the production process, from procurement of raw materials until distribution of the finished product, we have been able to achieve our goal of maintaining and enhancing the quality of our products.

### Wide spread sales and distribution network

Our sales and distribution network allows us to reach a range of consumers and ensures effective penetration of our products and marketing campaigns. Our sales and distribution network is strategically spread across different states of India, and has an especially strong outreach in certain semi urban and rural markets. Our state-of-the-art manufacturing infrastructure, sourcing and stringent quality and food safety procedures.

Our existing manufacturing facility is strategically located in proximity to our key raw ingredient supplies. Our optimized distribution and supply process ensures reduced freight and logistics related time and cost. Our facility is located with easy access to Flours, Nuts, Dry Fruits and packaging materials, which are primary ingredients for manufacturing of our products.

We maintain quality control across the entire production chain, including sourcing, processing, manufacturing, packaging and distribution. Our sourcing strength is a result of strong relationship with our vendors, who have now been associated with us. We purchase our raw materials from APMC and local suppliers. Packaging materials such as laminates & pouches material, corrugated boxes, poly-packs, trays and cartons are sourced from local vendors.





Our sourcing strategy and strong relationships ensure consistent quality, competitive pricing and assured quantity in line with the growing demand of our products.

### **Diversified Product Portfolio**

We have aligned our pace in tune with market demand; we have periodically diversified our product portfolio, consisting of Granola Bars, Chakli, Laddu, Chivda and Sev based on market feedback. Our diversified product portfolio has effectively enabled us to cater to diverse consumer trends. Further, as per customer convenience and needs, we offer products in different size of packaging. This helps us to build brand recognition and customer loyalty.

### **Experienced promoter and management team**

We believe that the experience of our Promoters, Board of Directors and management team along with their ability to deliver consistent growth will aid our vision to organically and inorganically scale up our business in the coming years. Our Board is led by our Managing Director, Ms. Sonali Nilesh Kocharekar, who completed her diploma in Pharmacy from SNTD College, Mumbai., and completed her bachelor's in Business Administration (BBA) from Pondicherry University. She has an extensive experience of over 12 years and industry knowledge/understanding. She has led our Company including introduction of new products by understanding consumer behavior, focusing on branding and undertaking consumer engagement. We believe that her experience has helped us develop relationships with our vendors for the procurement of raw materials, institutional customers and dealers & distributors. Mr. Shivang Shashikant Shah, chief financial officer, is responsible for managing our finance and marketing activities. Ms. Smita Shashikant Shah is the experienced member to join the Board who is responsible for development of new product verticals and the business.

We believe that the knowledge and experience of our senior and middle-level management team in the food FMCG business provides us with a significant competitive advantage as we seek to grow our businesses. For further details, see “*Our Management*” on page 138.

## **OUR BUSINESS STRATEGY**

### **Sustain our focus on semi urban and rural markets**

We believe that our focus on semi urban and rural markets for our products and our ability to understand consumer preference in these markets, allows us to benefit from this growing sector where, as a result of difficulties with distribution and logistics, penetration of

branded confectionaries and food accompaniments has been relatively slow. With our range of affordable products targeting youth, under the ‘Appetite Food’ brand, and our distribution network, we intend to consolidate and grow in these markets with an appropriate value proposition including price, quality, taste and packaging.

**Expand our distribution network**

We have an established and wide network of dealers that sell our products across Maharashtra, Gujarat & Goa and continually focusing on exploring opportunities to further penetrate into remote areas of such states by expanding our distribution network through new distributors appointments. We plan to consolidate our presence across the regions we operate and continue to assist our existing distributors in enhancing their performance and improving their sales.

We seek to increase our presence in export markets by targeting Government of India to celebrate IYOM 2023 to make it people’s movement so that the Indian millets, recipes, value added products globally get global acceptance and serve developed and emerging countries through merchant exporter. We are also in the process of participating in trade fairs in these export markets extensively to strengthen our presence in these markets. We also intend to increase our online presence by registering our products on various B-2-C and B-2-B online platforms.

**Expand our product portfolio into nutraceutical segment**

We will continue to expand our product portfolio and distribution reach, focus on increasing sales volumes, and strive to provide differentiated offerings to our consumers. We will leverage our extensive experience to solidify our industry position, by creating new products, entering new product categories and building new brands to capitalize on emerging trends. These are functional foods having nutritional values made from healthier ingredients including multiple Seeds, Nuts and Spices. We intend to increase our research and development efforts on the product attributes that are most valued by our consumers, including taste, nutrition, food-safety and convenience. This would allow us to better serve increasing demand from consumers for healthier, tastier and higher quality food products and would enable us to further gain market share in the target segment.



**Continue to Focus on Strengthening Our Brands**

We believe that our ability to differentiate our brand and our products from our competitors through our marketing and brand awareness programs is an important factor in attracting consumers. Further, our presence across multiple products such as Granola Bars, Healthy Puff Snacks and Diet Bhel has also enabled us to strengthen our brand visibility and we plan to leverage upon it to launch new products.

Our marketing plan comprises advertising in print media, digital, radio and outdoor promotional campaigns along with sponsorship tie-ups of sporting and cultural events across India. We intend to increase our brand awareness in existing markets through digital channels and build our visibility. This will result in greater brand awareness and increase in consumption of our products.





**OUR PRODUCT PORTFOLIO**




We have a diversified portfolio of products split largely into five categories.

Category	Variants	Ingredients	Product
<b>Granola Bars</b>	C-Bar	Oat Flakes, Rolled Oats, Sunflower Seed, Pumpkin Seed, White Sesame seed, Black Sesame Seed, Chia Seed, Garden Cress, Candied Fruit, Gooseberry Powder, Honey, Brown Sugar, Natural Flavor (Orange).	
	IMU-Bar	Oats Flakes, Rolled Oats, Barley Flour, Garden Cress, White Sesame Seed, Black Sesame Seed, Chia Seed, Dry Figs, Dates, Almonds, Dried Ginger Powder, Turmeric, Gooseberry Powder, Ashwagandha (Ginseng), Honey, Brown Sugar, Cinnamon.	









Category	Variants	Ingredients	Product
	O-Bar	Oat Flakes, Rolled Oats, Garden Cress, Chia seed, Almonds, Ashwagandha (Ginseng), Dry Ginger Powder, Basil Powder, Crispy Rice, Honey, Brown Sugar, Cocoa Powder, Natural Flavor (Caramel)	
	Pro-Bar	Mung Bean Flour, Oats Flakes, Rolled Oats, Sunflower Seed, Pumpkinseed, Chia Seed, Almonds, Cocoa Powder, Honey, Brown Sugar, Crispy Rice, Natural Flavor (Vanilla)	
	Ragi Bar	Ragi Flakes, Ragi Flour, Rolled Oats, Peanuts, Ashwagandha (Ginseng), Basil Powder, Dry Ginger Powder, Honey, Brown Sugar, Crispy Rice, Natural Flavor (Cocoa-Coffee)	
<b>Laddu</b>	Methi Laddu	Methi Seeds, Wheat Flour, Black Jaggery, Pure Cow Ghee, Gond Almonds, Walnuts, Elaichi Powder, Sesame seeds, Dry Date Powder, Haleem	
	Multigrain Laddu	All pulses, Methi seeds, Black Jaggery, Almonds, Walnuts, Ghee, Gond (tragacanth gum), Date powder, Sesame seeds(til) powder, Haleem (Garden cress seed), Dry Date powder, Elaichi powder.	
	Mung Laddu	Yellow Mung Lentils, Green Mung Lentils, Black Jaggery, Roasted Sesame Seeds, Almonds, Nutmeg, Cardamom, Clarified Butter, Salt.	
	Oats Laddu	Oats, Black Jaggery, Pure Cow Ghee, Almonds, Nutmeg Powder, Elaichi Powder	

Category	Variants	Ingredients	Product
	Ragi Laddu	Ragi Flour, Rajgira Flour, Singara Flour, Dry Date Powder, Black Jaggery, Pure Cow Ghee, Sunth Powder.	
<b>Diet Bhel</b>	Diet Bhadang Bhel	Owar Kurmura, Sada Kurmura, Peanuts, Curry Leaves, Green Chilli, Brown Sugar, Oil, Puri, Sev, Mixed Spices & Condiments (Red Chilli, Cumin, Coriander, Black Pepper, Clove, Cinnamon, Black Cardamom, Cassia Buds), Sugar, Iodized Sea Salt, Acidifying Agent Ns 330, INS 296, Flavour Enhancers, INS 627, INS 631, Anticaking Agent INS 1'0(I).	
	Diet Jowar Mix Bhel	Mumra, Jowar Ring, Chana Jor Garam, Curry Leaves, Mirchi, Salt, Oil, Sugar, Turmeric Powder, Edible Common Salt, Chilli Powder, Coriander Powder, Cumin, Fennel, Dehydrated Onion, Acidity Regulator Citric Acid (Ins 330), Black Salt, Black Pepper, Dry Ginger, Ajwain, Cassia Bark(Taj), Clove, Bay Leaves, Star Anise, Mulethi, Green Cardamon.	
	Diet Jowar Pearl Bhel	Jawar Pearl, Bajara Pearl, Corn Pearl, Sada Kurmura, Curry Leaves, Mirchi, Salt, Oil, Brown Sugar, Amchur Powder, Peanut, Sev, Puri.	
	Diet Lemon Chilli Bhel	Sada Kurmura, Jowar Puff, Curry Leave, Green Chilli, Lemon Chilli Powder, Amchur Powder, Brown Sugar, Salt, Oil, Sev, Puri.	
	Diet Marwadi Bhel	Sada Kurmura, Muthiya, Gathiya, Halad, Curry Leave, Green Chilli, Brown Sugar, Salt, Oil.	

Category	Variants	Ingredients	Product
	Diet Pani Puri Bhel	Mumra, Jowar Ring, Peanuts, Curry Leaves, Sugar, Green Chilli, Oil, Iodized Salt, Rock Salt, Coriander, Cumin, Dry Ginger, Black Salt, Black Pepper, Bishops Weed, Dry Mango Powder, Mint Leaf, Kachri, Chilli Powder, Caraway, Clove, Citric Acid (E330), Nutmeg, Pepper Long, Pomegranate Seed.	
Healthy Puff	Jowar Puff - Bhadang	Jowar (Sorghum), Mixed spices & condiments (red chili, cumin, coriander, black pepper, clove, cinnamon, black cardamom, cassia buds), sugar, iodized sea salt, acidifying agent ns 330, INS 296, Flavour Enhancers, INS 627, INS 631, Anti-caking agent INS 1'0(I).	
	Cheese Tomato	Jowar (Sorghum), Sugar, Iodized Salt, Autolysed Yeast Extract Powder, Ground Spices and Condiments (Red Chilly, Cumin, Black Pepper, Clove, Cinnamon, Black Cardamom), Milk and Milk Solids (Cheese Powder, Tomato Juice Powder, Whey Powder, Full Cream Powder, Skimmed Milk Powder), Sunflower Oil, Maltodextrin, Dextrose, Acidifying Agents (E330, E270), Anticaking Agent (E551), Natural Color (Paprika Oleoresin – E160c, Annatto Extracts – E160b), Natural & Nature Identical Flavoring Substance.	
	Cream Onion	Jowar (Sorghum), Sugar, Garlic Powder, Onion Powder, Iodised Salt, Ground Spices and Condiments (Red Chilly, Cumin, Black Pepper, Clove, Cinnamon, Black Cardamom), Milk and Milk Solids (Cheese Powder, Buttermilk Powder, Whey Powder, Full Cream Powder, Skimmed Milk Powder), Edible Vegetable Oil, Maltodextrin, Dextrose, Acidifying Agents (E330, E270), Anticaking Agent (E551), Natural Color (Paprika Oleoresin – E160c, Annatto Extracts – E160b), Natural & Nature Identical Flavoring Substance.	
	Lime Chilli	Jowar (Sorghum) Ground Spices & Condiments: (Kashmiri Red Chilli, Cumin, Black Pepper, Clove, Cinnamon & Black Cardamon.) Spray Dried Lemon Powder, Edible Vegetable Oil, Acidifying Agents: Malic Acid (INC 296), maltodextrin, Dextrose, Iodised Salt, Sugar, Anticaking Agent INS 170.	

Category	Variants	Ingredients	Product
	Lemon Pickle	Jowar (Sorghum), Ground Spices & Condiments (Red Chilly, Fenugreek, Cumin, Coriander, Black Pepper), Spray Dried Lemon Powder, Raw Mango Powder, Garam Masala, Maltodextrin, Iodized Salt, Sugar, Edible Vegetable Oil, Acidifying Agent (INS296, INS330), Anticaking Agent (INS170), Natural Color (Paprika Oleoresin INS160c), Natural & Nature-Identical Flavoring Substance.	
	Piri	Jowar (Sorghum), Ground Spices & Condiments (Piri-Piri Chilli Pepper, Black Pepper, Cumin, Cardamom, Mustard seeds), Garlic Powder, Onion Powder, Ginger Powder, Dried Oregano, Maltodextrin, Iodized Salt, Sugar, Edible Vegetable Oil, Acidifying Agent (INS296), Anticaking Agent (INS170), Natural Color (Paprika Oleoresin INS160c), Natural & Nature-Identical Flavoring Substance.	
	Pizza Masala	Jowar (Sorghum), Dried Oregano Herb, Iodised Salt, Dehydrated Onion & Garlic Powder, Ground Spices and Condiments (Cumin & Coriander Seeds, Red Chili Powder and Black Pepper), Spray Dried Jalapeno & Cheese Powder, Edible Vegetable Oil, Dextrose, Maltodextrin, Acidifying Agents (INS 330, INS 296), Anticaking Agent (INS 170), Natural Color (Paprika Oleoresin – E160c), Natural & Nature Identical Flavoring Substance.	
	Thai Sweet Chilli	Jowar (Sorghum), Ground Spices & Condiments (Thai Pepper Powder, Jeera Powder, Coriander Powder, Black Cardamom, Black Pepper), Lemon Powder, Maltodextrin, Dextrose, Iodized Salt, Sugar, Edible Vegetable Oil, Acidifying Agent (INS296, INS330), Anticaking Agent (INS170), Natural Color (Paprika Oleoresin INS160c), Natural & Nature-Identical Flavoring Substance.	
<b>Snacks</b>	Baked Karanji/Gujiya	All Purpose Flour, Semolina, Wheat Flour, Coconut Powder, Cardamom Powder, Nutmeg Powder, Almonds, Calumpang Nuts, Raisins, Cane Sugar, Milk, Clarified Butter, Salt.	
	Baked Samosa	All Purpose Flour, Gram Flour, Carom Seeds, Salt, Peanuts, White Sesame Seeds, Cumin Seeds, Cilantro, Fennel Seeds, Green Chilly, Asafetida, Red Chilly Powder, Dried Fenugreek Leaves, Dry Mango, Black Pepper, Coconut Powder, Garam Masala. Almonds, Turmeric Powder, Fox Nuts, Clarified Butter.	



Category	Variants	Ingredients	Product
<b>Cheeseling</b>	Cheeseling Bhadang	Wheat Flour, Edible Vegetable Oil, Processed Cheese, Granulated Sugar, Iodized Salt, Maltodextrin, Mixed spices & condiments (red chilli, cumin, coriander, black pepper, clove, cinnamon, black cardamom, cassia buds), sugar, iodized sea salt, acidifying agent ns 330, INS 296, Flavour Enhancers, INS 627, INS 631, Anti-caking agent INS 1'0(I).	
	Cheeseling Cheese Tomato	Wheat Flour, Edible Vegetable Oil, Cheese, Sugar, Maltodextrin, Dextrose, Iodised Salt, Cheese Powder, Tomato Juice Powder, Whey Powder, Full Cream Powder, Skimmed Milk Powder, Kashmiri Red Chilli, Cumin, Black Pepper, Clove, Cinnamon, Black Cardamon, Baker Yeast, Acidifying Agents: Citric Acid (INS 330), Lactic Acid (INS 270), Autolysed yeast extract powder, Anticaking Agent etc.	
	Cheeseling Cream Onion	Wheat Flour, Edible Vegetable Oil, Processed Cheese, Granulated Sugar, Iodized Salt, Maltodextrin, Dextrose, Garlic Powder, Onion Powder, Red Chilly Powder, Ground Cumin, Ground Black Pepper, Ground Cloves, Ground Cinnamon, Black Cardamon, Cheese Powder, Buttermilk Powder, Whey Powder, Full Cream Powder, Skimmed Milk Powder, Bakers Yeast, Citric Acid, Yeast Extract Powder, Leavening Agent.	
	Cheeseling Lemon Pickle	Wheat Flour, Edible Vegetable Oil, Cheese, Sugar, Red Chilly, Fenugreek, Cumin, Coriander, Black Pepper, Spray Dried Lemon Powder, Raw Mango Powder, Garam Masala, Acidifying Agent INS 330, INS 296, Maltodextrin, Iodised Salt, Anti-Caking Agent etc.	
	Cheeseling Lime Chilli	Wheat Flour, Edible Vegetable Oil, Cheese, Sugar, Kashmiri Red Chilli, Cumin, Black Pepper, Clove, Cinnamon, Black Cardamom, Spray Dried Lemon Powder, Acidifying Agents: Malic Acid (INS 296), Maltodextrin, Dextrose, Iodised salt, Anticaking Agents etc.	
	Cheeseling Pani Puri	Wheat Flour, Edible Vegetable Oil, Processed Cheese, Granulated Sugar, Iodized Salt, Maltodextrin, Dextrose. Sugar, Dried Mint Leaves Powder, Green Coriander Leaves Powder, Green Chilli Powder, Black Salt, Mixed Spices & Condiments, (Jeera Powder, Coriander Powder, Black Pepper) etc.	



Category	Variants	Ingredients	Product
	Cheeseling Piri	Wheat Flour, Edible Vegetable Oil, Cheese, Sugar, Piri Chilli Pepper, Black Pepper, Cumin, Cardamon, Mustard Seeds, Garlic Powder, Ginger Powder, Onion Powder, Dried Oregano, Acidifying Agents: Malic Acid (INS 298), Maltodextrin, Iodised Salt, Sugar etc.	
	Cheeseling Pizza Masala	Wheat Flour, Edible Vegetable Oil, Processed Cheese, Granulated Sugar, Iodized Salt, Maltodextrin, Dextrose, Dried Oregano Powder, Onion Powder, Garlic Powder, Ground Cumin, Coriander Seeds, Red Chilli Powder, Ground Black Pepper, Jalapeno & Cheese Powder, Bakers Yeast, Citric Acid, Yeast Extract Powder etc.	
	Cheeseling Thai Sweet Chilli	Wheat Flour, Edible Vegetable Oil, Processed Cheese, Granulated Sugar, Iodized Salt, Maltodextrin, Dextrose, Thai Pepper Powder, Ground Cumin, Ground Black Pepper, Dry Coriander, Black Cardamom, Lemon Peel Powder, Bakers Yeast, Citric Acid, Yeast Extract Powder etc.	

## PLANT & MACHINERY

To maintain quality of our product, we have installed below mentioned machinery at our factory in Vasai to deliver products with precision and productivity in the most extreme operating conditions.

- Packing Machine Pouching
- Conveyor
- Dryer
- Frying Processor
- Motor Pump
- MS Storage Tank
- Pillow Extruder
- Printer & Rewinder
- SS Tray
- Weighing Machine
- Batch Mixer
- Diesel Fryer Machine
- Coin Packing Machine
- Packing Machine
- Industrial Fan
- Corn Ring Machine
- Masala Mixture
- Pipe model pouch packing machine
- Seasoning Mixture
- Oven 5mtr Layer
- D.G Set

## Utilities:

### *Infrastructure*

Our Registered Office is well equipped with computer systems, internet connectivity, other communication equipment and security, etc. which are required for our business operations.

### *Power*

We have arrangements for regular power supply at our office premises & factory. We have particular power requirements due to the need to process raw ingredients to get final products and for packing of different products within a particular range of temperatures. We depend on state electricity supply for our power requirements and utilise diesel generators to ensure that our facilities are operational during power failures or other emergencies. We have installed energy efficient equipment at our manufacturing units.

### *Water*

We source our water requirements from municipality at our office and factory. For the portfolio of products that we manufacture, our water requirement is minimal, mainly for processing of raw ingredients, sanitation, and air- conditioning and firefighting purposes.

### **Production Capacity**

The information relating to the estimated annual installed capacities of our manufacturing facilities are based on various assumptions and estimates made by our management. These assumptions and estimates may vary significantly from the assumptions or estimates taken into account by other snacks manufacturing companies in calculating the estimated annual installed capacities of their manufacturing facilities. As such, undue reliance should not be placed on the estimated annual installed capacity information of our facilities, and consequently on the utilization rates of these facilities indicated below. The following table sets forth certain information relating to the estimated annual installed capacities at our manufacturing facilities as of the date of this Draft Prospectus, for the specified products:

Products	Estimated Volume in MT	Actual	
		Volume in MT	%
Laddu	360 MT	250 MT	69.44
Granola Bar	360 MT	280 MT	77.78
Chivda	432 MT	300 MT	69.44
Chakli Snacks	720 MT	550 MT	76.39
Sev	432 MT	432 MT	100.00

### **Corporate Social Responsibility**

As on the date of this Draft Prospectus, our Company is exempted from the provisions of section 135 of the Companies Act, 2013, in respect of Corporate Social Responsibility.

### **Insurance**

Our Company has not taken any insurance policy related to our registered office, manufacturing facilities and the properties that we operate our operations of our Company. See “*Risk Factors – Our Company has not taken any insurance which may expose our company from potential losses to which we may be subject to risk and this may have a material effect on our business and financial condition.*” on page 23 of this Draft Prospectus.

### **Properties**

The details of our properties are as follows:

Sr. No.	Purpose	Location	Owned / Leased
1	Registered Office	Unit No. 16, Ground Level, Loft & Basement Sethia Industrial Estate, Tungareshwar Phata Vasai East Palghar Thane, Maharashtra- 410208, India.	Leased
2	Factory	Unit No. 17, Ground Level, Loft & Basement Sethia Industrial Estate, Tungareshwar Phata Vasai East Palghar Thane, Maharashtra- 410208, India.	Leased
3	Factory	Survey No. 83, Village - Khairpada (Kaner), Virar Phata, Virar East, Maharashtra – 401303, India.	Leased

### **Employee Strength**

Details of the manpower employed by our Company is as follows:

Sr. No.	Classification	No. of employees
1.	Operational Department	1
2.	Production Department	5
3.	Sales & Marketing Department	1
4.	Purchase & Procurement Department	1
5.	Legal and Compliance Department	1
	<b>Total</b>	<b>9</b>

### **Marketing Strategy**

Our success lies in the strength of our relationship with our distributors. Due to distributors network and branding, our product is known to public. Our team, through their vast experience and good rapport with distributors is able to achieve increased level of business for our Company. To retain our customers, our team regularly interacts with retailers and focuses on gaining an insight on changing taste and preference of customers.

We have woman power at the helm of management team to motivate the sub-ordinates and staff to step towards their achievements and organizational goals. With their efficient management skills and co-ordination with sub-ordinate, they are always working as a catalyst to encourage the entire team for the development and nourishment of the organization.

#### **Logistics:**

We outsource the delivery of our products to either third-party logistics companies or as mutually decided between the dealer and Company.

#### **Information Technology**

We believe that an appropriate information technology infrastructure is important in order to support the growth of our business. We have IT server to track all the transactions. Our IT infrastructure enables us to track procurement, sale of finished goods, payments to vendors and receivables from customers.

#### **Geographical presence**

State-wise distribution of our client base based on contribution to our Revenue from Operations for the period ended December 31, 2022 is as follows:

State	Revenue for the period	%
Maharashtra	375.25	89.25
Gujarat	25.00	5.95
Goa	20.21	4.80
<b>Total</b>	<b>420.46</b>	<b>100</b>

#### **Top Ten Customers**

Name	₹ in Lakhs	Percentage
A S Traders	98.26	23.37%
Nexon Business Pvt Ltd	3.96	19.97%
Aastik Trading Pvt Ltd	45.85	10.90%
Patil Kaki Ecom Ventures Private Limited	18.78	4.47%
Priti Shain Frast	3.00	0.71%
Shreeji Foods	0.99	0.24%
Pari Foodies	0.82	0.20%
Shover Foods International Private Limited	0.60	0.14%
Shreeji Foods NX	0.52	0.12%
Ladoo Raja Pvt. Ltd.	0.48	0.11%
<b>Total</b>	<b>253.26</b>	<b>60.23%</b>

#### **Top Ten Suppliers**

Name	₹ in Lakhs	Percentage
Magic Bag	125.00	21.63%
Laxmi Enterprises	100.76	17.43%
Vijay Traders	94.70	16.38%
Sai Foods Company	59.82	10.35%
N K Traders	29.58	5.12%
Dimond Traders	9.53	1.65%
Shree Mahavir Agro Foods	6.88	1.19%
Desire	5.61	0.97%
Dev Enterprise	5.00	0.87%
Just Food	3.08	0.53%
<b>Total</b>	<b>439.96</b>	<b>76.12%</b>

### **Intellectual Property**

As on the date of this Draft Prospectus, our company has not applied for registration for any intellectual property rights. With regards to risks associated with the same, please refer section titled “*Risk Factors*” on page 23 of this Draft Prospectus.

### **Competition**

We face intense competition in the Indian snack food market, from various domestic and multinational companies in India. We have a very diverse portfolio of modern Indian snacks catered for the varying tastes and preferences of Indian consumers. Some of our key competitors include Annapurna Swadisth, Haldiram Foods, Bikaji Foods, Bikanerwala, DFM Foods, Prataap Snacks, ITC, Pepsico. We do not have formal agreement with our dealers & distributors and thus they may procure from other players. Some of players may already have a robust procurement network and develop better relations with dealers & distributors, which could impact our revenue and profitability. In the future, we may also face competition from new entrants in the segment. For further details, see “Risk Factor – We operate in a competitive market and any increase in competition may adversely affect our business and financial condition” under the chapter titled “Risk Factors” on page 23 of this Draft Prospectus.

## KEY INDUSTRY REGULATIONS AND POLICIES

*The business of our Company requires, at various stages, the sanction of the concerned authorities under the relevant Central, State legislation and local laws. The following description is an indicative summary of certain key industry laws, regulations and policies as notified by the Government of India or State Governments and other regulatory bodies, which are applicable to our Company. The information set below has been obtained from various legislations including rules and regulations promulgated by the regulatory bodies that are available in the public domain. The regulations set below may not be exhaustive and are only intended to provide general information to the investors and are neither designed nor intended to be a substitute for professional legal advice.*

*Further, the statements below are based on the current provisions of Indian law and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. Our Company may be required to obtain licenses and approvals depending upon the prevailing laws and regulations as applicable. For details of such approvals, please see the section titled 'Government and Other Approvals' beginning on page 156 of this Draft Prospectus.*

Set forth below are certain significant legislations and regulations which generally govern the business and operations of our Company:

### I. INDUSTRY SPECIFIC LAWS

#### **The Food Safety and Standards Act, 2006 (the "FSSA") and the Food Safety and Standard (Amendment) Bill, 2020**

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.

#### **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 for the development and promotion of export of certain agriculture and processed food products. Persons exporting scheduled products are required to be registered under the APEDA Act and are required to adhere to specified standards and specifications and to improve their packaging. 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, 1986 (the "BIS Act")**

The BIS Act provides for the establishment of a bureau for the standardisation, marking and quality certification of goods. The BIS Act provides for the functions of the Bureau of Indian Standards which includes, among others (a) recognize as an Indian standard, any standard established for any article or process by any other institution in India or elsewhere; (b) specify a standard mark to be called the, Bureau of Indian Standards Certification Mark, which shall be of such design and contain such particulars as may be prescribed to represent a particular Indian standard; and (c) make such inspection and take such samples of any material or substance as may be necessary to see whether any article or process in relation to which the standard mark has been used conforms to the Indian Standard or whether the standard mark has been improperly used in relation to any article or process with or without a license.

### **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 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.

### **Agriculture Produce (Grading & Marketing) Act, 1937**

The Directorate of Marketing and Inspection enforces the Agricultural Produce (Grading and Marketing) Act, 1937. Under this Act Grade standards are prescribed for agricultural and allied commodities. These are known as Agmark standards. Grading under the provisions of this Act is voluntary. The DMI enforces the Agricultural Products (Grading and Marketing) Act, 1937. Manufacturers who comply with standard laid down by DMI are allowed to use ‘Agmark’ labels on their products.

### **Consumer Protection Act, 2019 (“CPA”) and rules framed thereunder**

The CPA, which repeals the Consumer Protection Act, 1986, was enacted to provide simpler and quicker access to redress consumer grievances. It seeks to protect and promote the interests of consumers against deficiencies and defects in goods or services and secure the rights of a consumer against unfair trade practices, which may be practiced by manufacturers, service providers and traders. Further, the definition of “consumer” has been expanded under the CPA to include persons engaged in online and offline transactions through electronic means or by tele-shopping, or direct-selling or multi-level marketing.

In line with the CPA, the Ministry of Consumer Affairs, Food and Public Distribution, Government of India has also notified the Consumer Protection (E-Commerce) Rules, 2020 (“E-Commerce Rules”) which provides a framework to regulate the marketing, sale and purchase of goods and services online. The E-Commerce Rules govern e-commerce entities which own, operate, or manage, a digital or electronic facility or platform for electronic commerce.

### **Sale of Goods Act, 1930 (the “Sale of Goods Act”)**

The Sale of Goods Act governs contracts relating to sale of goods in India. The contracts for sale of goods are subject to the general principles of the law relating to contracts. A contract of 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 the 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 sale of goods.

### **The Information Technology Act, 2000 (the “IT Act”) and the rules made thereunder**

The IT Act seeks to: (i) provide legal recognition to transactions carried out by various means of electronic data interchange and other means of electronic communication, commonly referred to as “electronic commerce”, involving use of alternatives to paper-based methods of communication and storage of information; (ii) facilitate electronic filing of documents; and (iii) create a mechanism for the authentication of electronic documentation through digital signatures. The IT Act provides for extraterritorial jurisdiction over any offence or contravention under the IT Act committed outside India by any person, irrespective of their nationality, if the act or conduct constituting the offence or contravention involves a computer, computer system or computer network located in India. The IT Act also facilitates electronic commerce by recognizing contracts concluded through electronic means, protects intermediaries in respect of third-party information liability and subjects us to civil liability for failure to protect sensitive personal data.

### **Labour Law Legislations**

The employment of workers, depending on the nature of activity, is regulated by a wide variety of generally applicable labour laws, including the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Employee’s State Insurance Act, 1948, the Employees’ Provident Funds and Miscellaneous Provisions Act, 1952, Payment of Gratuity Act, 1972, the Payment of Bonus Act, 1965, Contract Labour (Regulation and Abolition) Act, 1970, the Shops and Establishments Act, 1953, the Maternity Benefit Act, 1961 and the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

In order to rationalize and reform labour laws in India, the Government has enacted the following codes:

- **Code on Wages, 2019**, which regulates and amalgamates wage and bonus payments and subsumes 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. It regulates, inter alia, the minimum wages payable to employees, the manner of payment and calculation of wages and the

- payment of bonus to employees.
- ***Industrial Relations Code, 2020***, which consolidates and amends laws relating to trade unions, the conditions of employment in industrial establishments and undertakings, and the investigation and settlement of industrial disputes. It subsumes the Trade Unions Act, 1926, the Industrial Employment (Standing Orders) Act, 1946 and the Industrial Disputes Act, 1947.
- ***Code on Social Security, 2020***, which amends and consolidates laws relating to social security, and subsumes various social security related legislations, inter alia including the Employee's State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act, 1961 and the Payment of Gratuity Act, 1972. It governs the constitution and functioning of social security organizations such as the Employee's Provident Fund and the Employee's State Insurance Corporation, regulates the payment of gratuity, the provision of maternity benefits and compensation in the event of accidents that employees may suffer, among others.
- ***The Occupational Safety, Health and Working Conditions Code, 2020***, consolidates and amends the laws regulating the occupational safety and health and working conditions of the persons employed in an establishment. It replaces 13 old central labour laws including the Contract Labour (Regulation and Abolition) Act, 1970 and received the presidential assent on September 28, 2020. These provisions of these codes shall become effective on the day that the Government shall notify for this purpose.

### **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.

## **II. LAWS RELATING TO SPECIFIC STATE WHERE ESTABLISHMENT IS SITUATED**

### ***Shops and Establishments Legislations***

Under the provisions of local shops and establishments legislations applicable in the states in which 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. All industries have to be registered under the shops and establishments legislations of the state where they are located. There are penalties prescribed in the form of monetary fine or imprisonment for violation of the legislations.

### ***The Micro, Small and Medium Enterprises Development Act, 2006***

MSME Act was enacted to provide for facilitating the promotion and development and enhancing the competitiveness of micro, small and medium enterprises. Any person who intends to establish (a) a micro or small enterprise, at its discretion; (b) a medium enterprise engaged in providing or rendering of services may, at its discretion; or (c) a medium enterprise engaged in manufacture or production of goods pertaining to any industry specified in the First Schedule to the Industries (Development and Regulation) Act, 1951 is required to file a memorandum before such authority as specified by the State Government or the Central Government. The form of the memorandum, the procedure of its filing and other matters incidental thereto shall be such as may be specified by the Central Government, based on the recommendations of the advisory committee. Accordingly, in exercise of this power under the MSME Act, the Ministry of Micro, Small and Medium Enterprises notification dated September 18, 2015 specified that every micro, small and medium enterprises is required to file a Udyog Aadhaar Memorandum in the form and manner specified in the notification.

### ***The Maharashtra Fire Prevention and Life Safety Measures Act, 2006 Act 3 of 2007 & Amendment 2015***

The Fire Act requires building owners and occupants to install firefighting measures and ensure proper evacuation measures in the case of fire emergency. The Act contains comprehensive guidelines towards securing the fire safety of old as well as new buildings in the State of Maharashtra. The Act extends to the whole of the State of Maharashtra and it applies to all building owners and occupants. Even licensees and tenants are classified as 'occupiers. Presently fire prevention and firefighting services are organized by the concerned States and Union Territories. It may be added here that the fire brigades in India remain heterogeneous in character and majority of them continue to remain ill-equipped and differently organized. The National Building Code (NBC), which is the basic model code in India on matters relating to building construction and fire safety. Fire prevention and fire protection is a state subject. The primary responsibility for fire prevention and fire protection lies primarily with State Governments. The rules for fire prevention and fire protection are laid in the form of State Regulations or Municipal By-Laws.

## **III. CORPORATE LAWS**

### ***The Companies Act, 2013:***

The Companies Act, 2013 came into existence by repealing the Companies Act, 1956 in a phased manner. It received the assent of the President on August 29, 2013. The Ministry of Corporate Affairs has also issued rules complementary to the Companies Act, 2013 establishing the procedure to be followed by companies in order to comply with the substantive provisions of the Companies Act, 2013. The Companies Act, 2013 deals with matters related to Incorporation of Companies, Prospectus and allotment of securities, share capital and Debentures, Acceptance of Deposits by Companies, Management and Administration, Appointment and Qualifications of Directors and other matters incidental thereto which are necessary for better Corporate Governance, bringing in more transparency in relation to Compliances and protection of shareholders & creditors.

The provision of this act shall apply to all the companies incorporated either under this act or under any other previous law. It shall also apply to banking companies, companies engaged in generation or supply of electricity and any other company governed by any special act for the time being in force. The Companies Act plays the balancing role between these two competing factors, namely, management autonomy and investor protection.

#### **IV. EMPLOYMENT AND LABOUR LAWS**

##### ***The Code on Wages, 2019***

The new Code replaces the following four laws: (i) the Payment of Wages Act, 1936, (ii) the Minimum Wages Act, 1948, (iii) the Payment of Bonus Act, 1965, and (iv) the Equal Remuneration Act, 1976. Under the Act, the Central Government shall determine wage-related provisions in railways, mines, oil fields, etc., while the State Government is empowered to take such decisions in relation to other employments.

##### ***The Child Labour (Prohibition and Regulation) Act, 1986***

The Child Labour (Prohibition & Regulation) Act, 1986, as amended from time to time (“Child Labour Act”) was enacted to prohibit the engagement of children below the age of fourteen years in certain specified occupations and processes and to regulate their conditions of work in certain other employments. No child shall be required or permitted to work in any establishment in excess of such number of hours, as may be prescribed for such establishment or class of establishments. Every child employed in an establishment shall be allowed in each week, a holiday of one whole day, which day shall be specified by the occupier in a notice permanently exhibited in a conspicuous place in the establishment and the occupier shall not alter the day so specified more than once in three months.

##### ***Employees’ Compensation Act, 1923, as amended (the “ECA”) and the rules framed thereunder***

The Employee’s Compensation Act, 1923 came into force on July 1, 1924. The act has been enacted with the objective to provide for the payment of compensation by certain classes of employers to their workmen or their survivors for industrial accidents and occupational diseases resulting in the death or disablement of such workmen. The Indian Parliament approved certain amendments to the Employee’s Compensation Act, 1923, as amended, to substitute, inter-alia, references to “workmen” with “employees” including in the name of the statute. The amendment came into force on January 18, 2010.

Under the Employees’ Compensation Act, if personal injury is caused to an employee by accident arising out of and in the course of employment, the employer would be liable to pay such employee compensation in accordance with the provisions of the Employees’ Compensation Act. However, no compensation is required to be paid (i) if the injury does not disable the employee for a period exceeding three days, (ii) where the employee, at the time of injury, was under the influence of drugs or alcohol, or (iii) where the employee wilfully disobeyed safety rules or wilfully removed or disregarded safety devices.

##### ***The Industrial Disputes Act, 1947 and Industrial Dispute (Central) Rules, 1957***

Industrial Dispute Act, 1947 and the Rules made thereunder provide for the investigation and settlement of industrial disputes. The Industrial Disputes Act, 1947 (IDA) was enacted to make provision for investigation and settlement of industrial disputes and for other purposes specified therein. Workmen under the ID Act have been provided with several benefits and are protected under various labour legislations, whilst those persons who have been classified as managerial employees and earning salary beyond a prescribed amount may not generally be afforded statutory benefits or protection, except in certain cases. The Industrial Dispute (Central) Rules, 1957 specify procedural guidelines for lock-outs, closures, lay-offs and retrenchment.

#### **V. TAX RELATED LAWS**

##### ***The Income Tax Act, 1961***

The Income Tax Act deals with computation of tax liability of individuals, corporates, partnership firms and others. The Income-tax Act, 1961 (“IT Act”) is applicable to every Company, whether domestic or foreign whose income is taxable under the provisions of this Act or Rules made there under depending upon its “Residential Status” and “Type of Income” involved. As per the provisions of Income Tax Act, the rates at which they are required to pay tax is calculated on the income declared by them or assessed by the authorities, after availing the deductions and concessions accorded under the Income Tax Act. Filing of returns of income is compulsory for all assesses. Furthermore, it requires every taxpayer to apply to the assessing officer for a permanent account number.



### ***The Goods and Service Tax (GST)***

GST is an Indirect Tax which has replaced many Indirect Taxes in India. The Goods and Service Tax Act was passed in the Parliament on 29<sup>th</sup> March 2017. The Act came into effect on 1<sup>st</sup> July 2017 and combined the Central Excise Duty, Commercial Tax, Value Added Tax (VAT), Food Tax, Central Sales Tax (CST), Introit, Octroi, Entertainment Tax, Entry Tax, Purchase Tax, Luxury Tax, Advertisement Tax, Service Tax, Customs Duty, Surcharges. Goods & Services Tax Law in India is a comprehensive, multi-stage, destination-based tax that is levied on every value addition. GST has mainly removed the Cascading effect on the sale of goods and services. GST is a consumption-based tax; therefore, taxes are paid to the state where the goods or services are consumed and not the state in which they were produced.

Every person liable to take registration under these Acts shall do so within a period of 30 days from the date on which he becomes liable to registration. The Central/State authority shall issue the registration certificate upon receipt of application. The Certificate shall contain fifteen-digit registration numbers known as Goods and Service Tax Identification Number (GSTIN). In case a person has multiple business verticals in multiple locations in a state, a separate application will be made for registration of each and every location. The registered assessee is then required to pay GST as per the rules applicable thereon and file the appropriate returns as applicable thereon.

### ***The Maharashtra State Tax on Profession, Trades, Callings and Employments Act, 1975***

This act is also called as The Maharashtra State Tax on Professions, Trade, Callings and Employments Act, 1975. Profession Tax means the tax on Professions, Trades, Callings and Employments levied under this Act. Profession Tax is a Tax may be imposed on Professions and Employments even though the employee is already paying an income tax. It is a tax on Professions, Trades, Callings and Employments for raising the resources needed for implementing the Employment Guarantee Scheme of the Maharashtra State Govt. and to provide for establishment of the Employment Guarantee Fund.

## **VI. INTELLECTUAL PROPERTY RELATED LAWS**

In-general the Intellectual Property Rights includes but is not limited to the following enactments:

- The Patents Act, 1970
- The Trademarks Act, 1999; and
- Design Act, 2000.

### ***Indian Patents Act, 1970***

A patent is an intellectual property right relating to inventions and is the grant of exclusive right, for limited period, provided by the Government to the patentee, in exchange of full disclosure of his invention, for excluding others from making, using, selling, importing the patented product or process producing that product. The term invention means a new product or process involving an inventive step capable of industrial application.

### ***The Trademark Act, 1999***

The Trademark Act, 1999 was developed keeping in view the need for simplification of and harmonization of Trademarks system, registration and statutory protection for the purpose of prevention of the use of fraudulent marks in India. A trademark is a mark capable of being represented graphically and which is capable of distinguishing the goods or services of one person from those of others used in relation to goods and services to indicate a connection in the course of trade between the goods and some person having the right as proprietor to use the mark. An application for trademark registration may be made by any person claiming to be the proprietor of a trade mark used or proposed to be used by him, who is desirous of registering it. Once granted, trademark registration is valid for ten years unless cancelled, which may be renewed for similar periods on payment of a prescribed renewal fee. The Trademarks Act prohibits any registration of deceptively similar trademarks or chemical compound among others. It also provides for penalties for infringement, falsifying and falsely applying trademarks.

### ***Designs Act, 2000 (“Designs Act”)***

Industrial designs have been accorded protection under the Designs Act. A ‘Design’ means only the features of shape, configuration, pattern, ornament or composition of lines or color or combination thereof applied to any article whether two dimensional or three dimensional or in both forms, by any industrial process or means, whether manual, mechanical or chemical, separate or combined, which in the finished article appeal to and are judged solely by the eye, but does not include any mode or principle or construction or anything which is in substance a mere mechanical device, and expressly excludes works accorded other kinds of protection like property marks, Trademarks and Copyrights. Any person claiming to be the proprietor of a new or original design may apply for registration of the same under the Act before the Controller-General of Patents, Designs and Trademarks. On registration, the proprietor of the design attains a copyright over the same. The duration of the registration of a design in India is initially ten years from the date of registration, but in cases where claim to priority has been allowed the duration is ten years from the priority date. No person may sell, apply for the purpose of sale or import for the purpose of sale any registered design, or fraudulent or obvious imitation thereof.

## **VII. GENERAL LEGISLATIONS**

### **Consumer Protection Act, 2019 (“CPA”) and rules framed thereunder**

The CPA, which repeals the Consumer Protection Act, 1986, was enacted to provide simpler and quicker access to redress consumer grievances. It seeks to protect and promote the interests of consumers against deficiencies and defects in goods or services and secure the rights of a consumer against unfair trade practices, which may be practiced by manufacturers, service providers and traders. Further, the definition of “consumer” has been expanded under the CPA to include persons engaged in online and offline transactions through electronic means or by tele-shopping, or direct-selling or multi-level marketing. In line with the CPA, the Ministry of Consumer Affairs, Food and Public Distribution, Government of India has also notified the Consumer Protection (E-Commerce) Rules, 2020 (“E-Commerce Rules”) which provides a framework to regulate the marketing, sale and purchase of goods and services online. The E-Commerce Rules govern e-commerce entities which own, operate, or manage, a digital or electronic facility or platform for electronic commerce.

### ***The Arbitration and Conciliation Act, 2015 (“Arbitration Act”)***

The Arbitration Act was enacted to consolidate and amend the law relating to domestic arbitration, international commercial arbitration and enforcement of foreign arbitral awards as also to define the law relating to conciliation and for matters connected therewith or incidental thereto. The main objectives of the Act is to comprehensively cover international and commercial arbitration and conciliation as also domestic arbitration and conciliation, to make provision for an arbitral procedure which is fair, efficient and capable of meeting the needs of the specific arbitration. The Act provides for the arbitral tribunal to give reasons for its arbitral award, to ensure that the arbitral tribunal remains within the limits of its jurisdiction and thus minimizing the supervisory role of courts in the arbitral process.

### ***The Indian Contract Act, 1872***

The Indian Contract Act, 1872 (“Contract Act”) codifies the way in which a contract may be entered into, executed, implementation of the provisions of a contract and effects of breach of a contract. A person is free to contract on any terms he chooses. The Contract Act also provides for circumstances under which contracts will be considered as ‘void’ or ‘voidable’. The Contract Act contains provisions governing certain special contracts, including indemnity, guarantee, bailment, pledge, and agency.

### ***The Competition Act, 2002***

The Competition Act, 2002 prohibits anti-competitive agreements, abuse of dominant positions by enterprises and regulates “combinations” in India. The Competition Act also established the Competition Commission of India (the “CCI”) as the authority mandated to implement the Competition Act. Combinations which are Likely to cause an appreciable adverse effect on competition in a relevant market in India are void under the Competition Act. The obligation to notify a combination to the CCI falls upon the acquirer in case of an acquisition, and on all parties to the combination jointly in case of a merger or amalgamation.

### ***Transfer of Property Act, 1882 (“TP Act”)***

The Transfer of Property Act, 1882 (the “TP Act”) establishes the general principles relating to transfer of property in India. It forms a basis for identifying the categories of property that are capable of being transferred, the persons competent to transfer property, the validity of restrictions and conditions imposed on the transfer and the creation of contingent and vested interest in the property. Transfer of property is subject to stamping and registration under the specific statutes enacted for that purpose.

### ***The Information Technology Act, 2000***

The Information Technology Act, 2000 (the IT Act) is an Act of the Indian Parliament notified on October 17, 2000. It is the primary law in India dealing with cybercrime and electronic commerce. It was enacted with the purpose of providing legal recognition to electronic transactions and facilitating electronic filing of documents. The IT Act further provides for civil and criminal liability including fines and imprisonment for various cyber-crimes, including unauthorized access to computer systems, unauthorized modification to the contents of computer systems, damaging computer systems, and the unauthorized disclosure of confidential information and computer fraud.

### ***The Indian Stamp Act, 1899***

Under the Indian Stamp Act, 1899, stamp duty is payable on instruments evidencing a transfer or creation or extinguishment of any right, title or interest in immovable property. Stamp duty must be paid on all instruments specified under the Stamp Act at the rates specified in the schedules to the Stamp Act. The applicable rates for stamp duty on instruments chargeable with duty vary from state to state.

### ***The Registration Act, 1908***

The purpose of the Registration Act, amongst other things, is to provide a method of public registration of documents so as to give information to people regarding legal rights and obligations arising or affecting a particular property, and to perpetuate documents which may afterwards be of legal importance, and also to prevent fraud.

### ***Negotiable Instruments Act, 1881***

In India, the laws governing monetary instruments such as cheques are contained in the Negotiable Instruments Act, 1881. The Act provides effective legal provision to restrain people from issuing cheque without having sufficient funds in their account or any stringent provision to punish them in the event of such cheque not being honoured by their bankers and returned unpaid. Section 138 of the Act, creates statutory offence in the matter of dishonour of cheque on the ground of insufficiency of funds in the account maintained by a person with the banker.

### ***Limitation Act, 1963 – NA***

The law relating to Law of Limitation to India is the Limitation Act, 1859 and subsequently Limitation Act, 1963 which was enacted on 5<sup>th</sup> of October, 1963 and which came into force from 1<sup>st</sup> of January, 1964 for the purpose of consolidating and amending the legal principles relating to limitation of suits and other legal proceedings. The basic concept of limitation is relating to fixing or prescribing of the time period for barring legal actions. According to Section 2 (j) of the Limitation Act, 1963, ‘period of limitation’ means the period of limitation prescribed for any suit, appeal or application by the Schedule, and ‘prescribed period’ means the period of limitation computed in accordance with the provisions of this Act.

## **VIII. FOREIGN REGULATIONS**

### ***Foreign Exchange Management Act, 1999***

Foreign investment in India is primarily governed by the provisions of FEMA and the rules and regulations promulgated there under. Foreign Exchange Management Act, 1999 (“FEMA”) was enacted to consolidate and amend the law relating to foreign exchange with the objective of facilitating external trade and for promoting the orderly development and maintenance of foreign exchange market in India. FEMA extends to whole of India. This Act also applies to all branches, offices and agencies outside India owned or controlled by a person resident in India and also to any contravention committed thereunder outside India by any person to whom the Act is applies. The Act has assigned an important role to the Reserve Bank of India (RBI) in the administration of FEMA.

### ***FEMA Regulations***

As laid down by the FEMA Regulations, no prior consents and approvals are required from the Reserve Bank of India, for Foreign Direct Investment under the automatic route within the specified sectoral caps. In respect of all industries not specified as FDI under the automatic route, and in respect of investment in excess of the specified sectoral limits under the automatic route, approval may be required from the FIPB and/or the RBI. The RBI, in exercise of its power under the FEMA, has notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 (“FEMA Regulations”) to prohibit, restrict or regulate, transfer by or issue security to a person resident outside India. Foreign investment in India is governed primarily by the provisions of the FEMA which relates to regulation primarily by the RBI and the rules, regulations and notifications there under, and the policy prescribed by the Department of Industrial Policy and Promotion, Ministry of Commerce & Industry, Government of India.

## HISTORY AND CERTAIN OTHER CORPORATE MATTERS

### BRIEF HISTORY OF OUR COMPANY

Our Company was incorporated as a public limited company under the name ‘Sonalis Consumer Products Limited’ under the provision of the Companies Act, 2013 and a certificate of incorporation dated March 15, 2022 issued by the Registrar of Companies, Central Registration Centre, Ministry of Corporate Affairs. The Corporate Identification Number of our Company is U15490MH2022PLC378461. Ms. Sonali Nilesh Kocharekar and Ms. Smita Shahshikant Shah are the Promoters of our Company. For further details of Our Promoters please refer the chapter titled “*Our Promoters and Promoter Group*” beginning on page 121 of this Draft Prospectus.

### Corporate profile of our Company

Our history and lineage traces back to Ms. Sonali Nilesh Kocharekar and Ms. Smita Shashikant Shah, both avid health aware foodies, who savoured nutritious snacks in the compact form of Nutri -Bars and healthy Indian trail mixes. They created a line of nutritious bars and snacks that are made out of various nuts, seeds, flours, healthy oil and various spices under the brand name of “Appetite Food” a Partnership firm, in the year 2020.

Our Company acquired the running business of the partnership firm, M/s. Appetite Food through Business Transfer Agreement dated May 15, 2022. Our Company has absorbed the business line & distribution network of Appetite Food. Since, Appetite Food has already been in active business for approximately for three years, it provides an ideal platform for the Company to grow/ expand its business in the region. We have over the years leveraged our understanding of our target markets and consumer segments, product innovation capabilities, extensive distribution network, strategically located manufacturing facilities, and have focused our marketing and promotional activities to strengthen our product and presence across India.

For information on our Company’s business profile, activities, products, market, growth, technology, managerial competence, standing with reference to prominent competitors, major Vendors and suppliers, please refer the chapter titled “*Our Business*”, “*Industry Overview*”, “*Our Management*”, “*Restated Financial Statements*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on pages 83, 73, 108, 128, and 149 respectively of this Draft Prospectus.

As on date of this Draft Prospectus, our Company has 13 (Thirteen) shareholders.

### Change in Registered Office of Our Company Since Inception

As on the date of filing this Draft Prospectus, the registered office of our Company is situated at Unit No. 16, Ground Level, Loft & Basement Sethia Industrial Estate, Tungareshwar Phata Vasai East Palghar Thane Maharashtra – 410 208, India.

Except as disclosed below, there have been no other changes in the registered office of our Company since the date of incorporation:

Effective Date	Details of Registered Office	Reason for Change
Incorporation	Building No. D, Flat No. 406, Shri Krishna Nagar, Borivali E, Mumbai, Bandra Suburban, Maharashtra – 400 066, India	–
July 18, 2022	Unit No. 16, Ground Level, Loft & Basement Sethia Industrial Estate, Tungareshwar Phata Vasai East Palghar Thane, Maharashtra- 410208, India	Administrative and operational Convenience

### MAIN OBJECTS OF OUR COMPANY

The main objects contained in the Memorandum of Association of our Company is as mentioned below:

- To carry on business of buying, selling, processing, farming, manufacturing, distributorship, agency, broker, factors, stockiest, importer, exporter and otherwise deal in all kinds of organic and inorganic foods products and other consumable provision of every description for human consumption.*

### AMENDMENTS TO THE MEMORANDUM OF ASSOCIATION OF OUR COMPANY SINCE INCORPORATION

The following changes have been made to the Memorandum of Association of our Company:

Sr. No.	Particulars of Amendment	Date of Shareholders Meeting
1	<b>Clause V of the Memorandum was amended to reflect:</b> Increase in authorized share capital of the Company from ₹ 10,00,000 divided into 1,00,000 Equity shares of ₹ 10 each to ₹ 2,00,00,000 divided into 20,00,000 Equity shares of ₹ 10 each.	May 17, 2022

## ADOPTION OF NEW ARTICLES OF ASSOCIATION OF COMPANY

Our Company has not adopted any new set of Articles of Association of the Company.

## MAJOR EVENTS AND MILESTONES OF OUR COMPANY

The table below sets forth the key events in the history of our Company:

Year	Particulars
2022	Incorporation of the Company in the name of 'Sonalis Consumer Products Limited'
2022	Takeover of the running business of a partnership firm "Appetite Foods"

## AWARDS, ACCREDITATIONS OR RECOGNITIONS

Our Company has received the following awards, accreditation and recognition:

Sr. No.	Accreditation	Year of Award
1.	Recognition of our Brand "Appetite Food" in "Food Brand Leaders-2022"	2022
2.	Annual Recognition to our Promoter Ms. Sonali Kocharekar in "Top 10 Leaders in Food Brand – 2022"	2022

## HOLDING COMPANY

As on the date of this Draft Prospectus, our Company does not have a holding company.

## SUBSIDIARIES, ASSOCIATE AND JOINT VENTURES

As on the date of this Draft Prospectus, our Company does not have any subsidiaries, associate and joint ventures.

## STRIKES AND LOCK-OUTS

Our Company has, since incorporation, not been involved in any labour disputes or disturbances including strikes and lock-outs. As on the date of this Draft Prospectus, our employees are not unionized.

## TIME/ COST OVERRUN

There have been no time/ cost overruns pertaining to our business operations since incorporation.

## CAPACITY OR FACILITY CREATION AND LOCATIONS OF PLANTS

Except as disclosed under section titled '*Our Business*', our Company has not created any other facility or capacity or any plants.

## DEFAULTS OR RESCHEDULING OF BORROWINGS WITH FINANCIAL INSTITUTIONS/BANKS

Our Company has not defaulted on repayment of any loan availed from any banks or financial institutions. The tenure of repayment of any loan availed by our Company from banks or financial institutions has not been rescheduled.

## DETAILS OF ACQUISITION OR DIVESTMENTS

Except as stated below, our Company has not acquired nor divested any business/undertaking in the 10 years preceding the date of this Draft Prospectus:

We have acquired the running business of partnership firm M/s Appetite Food which is engaged in the business of manufacturing and selling of granola bars, chakli, chivda, laddu, sev etc snacking items. The Company has acquired entire business of M/s Appetite Food vide Business Transfer Agreement dated May 15, 2022 along with all assets and liabilities. The Financial Snapshot of M/s Appetite Foods is as follows: -

Particulars	Fiscal 2022	Fiscal 2021
Revenue from operations	93.13	5.6
EBITDA	1.34	0.67
EBITDA margin	1.44%	11.96%
Profit after tax	0.82	0.4
Profit after tax margin	0.88%	7.14%

## **MERGERS OR AMALGAMATION**

Our Company has not undertaken any merger or amalgamation in the 10 years preceding the date of this Draft Prospectus.

## **REVALUATION OF ASSETS**

Our Company has not revalued its assets in the 10 years preceding the date of this Draft Prospectus.

## **DETAILS OF SHAREHOLDERS' AGREEMENTS**

As on the date of this Draft Prospectus, there are no subsisting shareholder's agreements among our shareholder's and our Company.

## **OTHER AGREEMENTS**

Neither our Promoters nor any of the Key Managerial Personnel, Directors or employees of our Company have entered into an agreement, 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 the dealings of the securities of our Company.

Further, our Company has not entered into any other subsisting material agreement, other than in the ordinary course of business.

## **FINANCIAL AND / OR STRATEGIC PARTNERS**

Our Company does not have any financial and/or strategic partners as of the date of filing this Draft Prospectus.

## **LAUNCH OF KEY PRODUCTS OR SERVICES, ENTRY OR EXIT IN NEW GEOGRAPHIES**

For details of launch of key products or services, entry in new geographies or exit from existing markets, please refer to the chapter "Our Business" on page 83 of this Draft Prospectus.

## **GUARANTEES GIVEN BY OUR PROMOTER**

As on the date of this Draft Prospectus, our Promoters have not provided any guarantees to third parties. For further details, please refer to the section titled '*Financial Indebtedness*' beginning on page 155 of this Draft Prospectus.

## **CHANGES IN THE ACTIVITIES OF OUR COMPANY HAVING A MATERIAL EFFECT**

Other than as mentioned above in the section titled '*Our Business*' and '*History and Certain Corporate Matters*' beginning on page 83 and 105, respectively, of this Draft Prospectus, there has been no change in the activities being carried out by our Company which may have a material effect on the profits/ loss of our Company, including discontinuance of the current lines of business, loss of projects or markets and similar factors in the last five years.

## **INJUNCTIONS OR RESTRAINING ORDERS**

There are no injunctions/ restraining orders that have been passed against the Company.

## **CHANGES IN THE MANAGEMENT**

For details of change in Management, please see chapter titled "Our Management" on page 108 of the Draft Prospectus.

## **OTHER DECLARATIONS AND DISCLOSURES**

Our Company is not a listed entity. Our Company has made an application to BSE SME for listing of its equity shares on the BSE SME on [●] and has received the In-Principal Approval on [●]. Further, our Company had/ has neither received any objections or rejections post receipt of the In-Principal Approval dated [●] and our securities have not been refused listing at any time by any recognized stock exchange in India or abroad. Further, our Company has not made any public issue (as defined in the SEBI (ICDR) Regulations) in the past. Further, no action has been taken against our Company by any Stock Exchange or by SEBI. Our Company is neither a sick company within the meaning of the term as defined in the Sick Industrial Companies (Special Provisions) Act, 1985; nor is our Company under winding-up process nor has it received any notice for striking off its name from the Registrar of Companies.

## **FUND RAISING THROUGH EQUITY OR DEBT**

For further details in relation to our fund-raising activities through equity and debt, please refer to the section titled '*Restated Financial Statement*' and '*Capital Structure*' beginning on page 128 and 53, respectively, of this Draft Prospectus.

## OUR MANAGEMENT

Our Company currently has five (5) directors on its Board, including two independent directors. For details on the strength of our Board, as permitted and required under the Articles of Association, see “Main Provisions of Articles of Association” on page 209 of this Draft Prospectus.

### Board of Directors

As on the date of this Draft Prospectus, our Board comprises of five (5) Directors, including three (3) Executive Directors and two (2) Non-Executive Directors.

Sr. No.	Name, Father’s Name, Designation, Address, Occupation, Qualification, Date of Original Appointment, Nationality, Date of Birth, Current Term and DIN	Age (in years)	Other Directorships
1.	<p><b>Sonali Nilesh Kocharekar</b>  <b>Father’s Name:</b> Gajanan Vithal Chavan  <b>Designation:</b> Chairman and Managing Director  <b>Address:</b> 406/D1, Mahindra Colony, Western Express Highway Road, Near Nancy Depot, Shree Krishna Nagar, Borivali East, Mumbai, Maharashtra, 400066  <b>Occupation:</b> Nutritionist/Business  <b>Qualification:</b> Diploma in Pharmacy from SNTD College, Mumbai and Bachelor’s in Business Administration (BBA) from Pondicherry University, Directorate of Distance Education.  <b>Date of Original Appointment:</b> March 15, 2022  <b>Nationality:</b> Indian  <b>Date of Birth:</b> October 06, 1984  <b>Current Term:</b> For a period of five years and is liable to retire by rotation  <b>DIN:</b> 09536461</p>	38 years	<p><b>Public Companies:</b> Nil  <b>Limited Companies:</b> Nil  <b>Private Companies:</b> Nil  <b>Foreign Companies:</b> Nil</p>
2.	<p><b>Smita Shashikant Shah</b>  <b>Father’s Name:</b> Late Rajababu Devidas Kapadia  <b>Designation:</b> Whole Time Director  <b>Address:</b> D-504, Yudhishtir CHS, L.T.D. Link Road, Near Anand Nagar, N. L. Complex, Dahisar East, Mumbai, Maharashtra, 400068  <b>Occupation:</b> Business  <b>Qualification:</b> Bachelors degree in Commerce from Marathwada University  <b>Date of Original Appointment:</b> March 15, 2022  <b>Nationality:</b> Indian  <b>Date of Birth:</b> June 1, 1961  <b>Current Term:</b> Liable to retire by rotation  <b>DIN:</b>09536462</p>	61 years	<p><b>Public Companies:</b> Nil  <b>Limited Companies:</b> Nil  <b>Private Companies:</b> Nil  <b>Foreign Companies:</b> Nil</p>
3.	<p><b>Prakash Premkumar Jhangiani</b>  <b>Father’s Name:</b> Premkumar Jhangiani  <b>Designation:</b> Executive Director  <b>Address:</b> Room No. A-4, Self Help Co-Operative Housing Society, St. Francis Road, Behind LIC Office Vile Parle West, Mumbai, Maharashtra, 400056  <b>Occupation:</b> Business  <b>Qualification:</b> Bachelors of Engineering from Bangalore University  <b>Date of Original Appointment:</b> March 15, 2022  <b>Nationality:</b> Indian  <b>Date of Birth:</b> March 15, 1968  <b>Current Term:</b> Liable to retire by rotation  <b>DIN:</b> 07908024</p>	54 years	<p><b>Public Companies:</b> Nuturn Technologies Private Limited (Strike off)  <b>Limited Companies:</b> Nil  <b>Private Companies:</b> Nil  <b>Foreign Companies:</b> Nil</p>
4.	<p><b>Sundeep Paul Menezes</b>  <b>Father’s Name:</b> Archibald Lawrence Menezes  <b>Designation:</b> Independent Director  <b>Address:</b> E-502, Yudhistir, N.L. Complex, Dahisar East, Mumbai, Maharashtra, 400068  <b>Occupation:</b> Professional</p>	49 years	<p><b>Public Companies:</b> Nil  <b>Limited Companies:</b> Nil  <b>Private Companies:</b> Nil  <b>Foreign Companies:</b> Nil</p>



Sr. No.	Name, Father's Name, Designation, Address, Occupation, Qualification, Date of Original Appointment, Nationality, Date of Birth, Current Term and DIN	Age (in years)	Other Directorships
	<b>Qualification:</b> Graduation in Business Management from Sikkim-Manipal University <b>Date of Original Appointment:</b> August 20, 2022 <b>Nationality:</b> Indian <b>Date of Birth:</b> December 22, 1973 <b>Current Term:</b> To hold Office till the conclusion of the next annual general meeting and subject to the approval of members in the ensuing general meeting, for appointment as an Independent Director to hold office for a term up to 5 consecutive years from the date of ensuing general meeting. <b>DIN:</b> 09706081		Nil
5.	<b>Ekta Anuj Chugani</b> <b>Father's Name:</b> Suresh Jethanand Wadhvani <b>Designation:</b> Independent Director <b>Address:</b> 2304, A Wing, Transcon Triumph, VLG, Amboli Hill Road, Andheri West, Mumbai Suburban, Maharashtra - 400053 <b>Occupation:</b> Business <b>Qualification:</b> Masters degree in Management (Finance) from Mumbai University <b>Date of Original Appointment:</b> August 20, 2022 <b>Nationality:</b> Indian <b>Date of Birth:</b> December 27, 1983 <b>Current Term:</b> To hold Office till the conclusion of the next annual general meeting and subject to the approval of members in the ensuing general meeting, for appointment as an Independent Director to hold office for a term up to 5 consecutive years from the date of ensuing general meeting. <b>DIN:</b> 09708289	39 years	<b>Public Companies:</b> Nil <b>Private Companies:</b> Nil <b>Foreign Companies:</b> Nil <b>Limited Companies:</b> Nil <b>Limited Companies:</b> Nil

For further details on their qualification, experience etc., please see their respective biographies under the heading 'Brief Biographies' below.

#### Brief Biographies of the Directors of our Company

**Ms. Sonali Nilesh Kocharekar**, aged 38 years, has been director on the Board since incorporation. She has completed her diploma in Pharmacy from SNDT College, Mumbai; and has completed her bachelor's in Business Administration (BBA) from Pondicherry University, Directorate of Distance Education. She has more than 12 years of experience being a dietician/nutritionist. She is also a prominent member on the Nutrition Technology Panels Several Organizations. She is Engaged with state-run programs & NGOs to provide low-cost daily interventions of nutrition that address issues of malnutrition & depleted immunity in groups of unprivileged populations through an integrated & sustainable approach. Under her dynamic leadership, our Company will grow immensely. Further, she has been associated with the Company as a Promoter. She is responsible for the manufacturing and overall working of the Company and is instrumental in making strategic decisions for the Company.

**Ms. Smita Shahshikant Shah**, aged 61 years, is the Whole Time Executive Director & Woman Director of our Company w.e.f. March 15, 2022. She is also a Promoter of our Company. She holds a Bachelors degree in Commerce from Marathwada University. Before coming on board, she had co-founded Appetite Food with Ms. Sonali Kocharekar, and they then decided to exponentially grow and extend the scope of business with this venture. Her passion for all things food related along with her great work ethic and philanthropic qualities, makes her a valuable asset for the Company, and drive will help the Company achieve its future goals. She is currently managing new recipe creation in the Company.

**Mr. Prakash Premkumar Jhangiani**, aged 54 years, is the Director of our Company and is associated with our Company since incorporation. He holds a Bachelor degree in Bachelors of Engineering from Bangalore University. He was co-Founder of Mott2, & strategic consultant with a nutraceutical company, before engaging with Appetite Food. He has a vast experience of 25+ years, he have worked with leading MNC's like ADVA, Huawei & Compaq in various leading roles. He is one of the most valuable assets of the Company, under his guidance; Company will achieve its goals in future.

**Ms. Ekta Chugani**, aged 39 years, is an Independent Director of our Company with effect from August 20, 2022. She holds a Masters degree in Management (Finance) from Mumbai University. She has a vast experience of 12+ years, having worked with leading MNC's/organizations like Fujitsu, Dell, and HDFC in varied roles.

**Mr. Sundeep Paul Menezes**, aged 49 years, is an Independent Director of our Company with effect from August 20, 2022. He holds a Bachelor degree in Business Management from Sikkim-Manipal University. He has extensive experience of 26+ years in senior HR, office administration & customer services roles working with organizations like Samsung Engineering, Intelnet Global, and Gheewala Global HR.

## CONFIRMATIONS

As on the date of this Draft Prospectus:

1. None of Directors are related to each other within the meaning of section 2 (77) of the Companies Act, 2013.
2. There are no arrangements or understanding with major shareholders, customers, suppliers or any other entities, pursuant to which any of the Directors or Key Management Personnel were selected as a Director.
3. The Directors of our Company have not entered into any service contracts with our Company which provides for benefits upon termination of employment.
4. None of the Directors is categorized as a willful defaulter or Fraudulent Borrower, as defined under Regulation 2(1)(III) of SEBI (ICDR) Regulations.
5. None of the abovementioned Directors have been declared a Fugitive Economic Offender under section 12 of the Fugitive Economic Offender Act, 2018.

### Compensation and remuneration to Managing/ Whole-time Directors

The remuneration payable to our Managing/ Whole-time Directors will be governed as per the terms of their appointment and shall be subject to the provisions of Sub-Section (54) and Sub-Section (94) of Section 2 of the Companies Act, 2013, read with Section 196, Section 197, Section 198, and Section 203 of the Companies Act, 2013 and any other applicable provisions of the Companies Act, 2013 read with Schedule V to the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof or any of the provisions of the Companies Act, 1956, for the time being in force).

The details of remuneration paid and perquisites given to Managing Director and Executive Director for services rendered by them to the Company during the Financial Year 2023:

#### Mrs. Sonali Nilesh Kocharekar

Particulars	Remuneration
Basic Salary	₹45,000/- p.m.
Designation	Managing Director
Term	For a period of 5 years effecting from March 15, 2022
Remuneration paid during the Financial Year 2023	₹ 0/- <sup>#</sup>

*# Ms. Sonali Kocharekar, Ms. Smita Shah and Mr. Prakash Jhangiani has suggested to forgo the remuneration to be paid to them from April 1, 2022 to June 30, 2023 considering the growing stage of the Company. The same has been considered by the Board and approved in the Board Meeting dated January 25, 2023.*

#### Mr. Prakash Premkumar Jhangiani

Particulars	Remuneration
Basic Salary	₹25,000/- p.m.
Designation	Director
Term	For a period of 5 years effecting from March 15, 2022
Remuneration paid during the Financial Year 2023	₹ 0/- <sup>#</sup>

*# Ms. Sonali Kocharekar, Ms. Smita Shah and Mr. Prakash Jhangiani has suggested to forgo the remuneration to be paid to them from April 1, 2022 to June 30, 2023 considering the growing stage of the Company. The same has been considered by the Board and approved in the Board Meeting dated January 25, 2023.*

#### Ms. Smita Shashikant Shah

Particulars	Remuneration
Basic Salary	35,000/- p.m.
Designation	Whole Time Executive and Woman Director
Term	For a period of 5 years effecting from March 15, 2022
Remuneration paid during the Financial Year 2023	₹ 0/- <sup>#</sup>

*# Ms. Sonali Kocharekar, Ms. Smita Shah and Mr. Prakash Jhangiani has suggested to forgo the remuneration to be paid to them from April 1, 2022 to June 30, 2023 considering the growing stage of the Company. The same has been considered by the Board and approved in the Board Meeting dated January 25, 2023.*

### Sitting Fees or benefit to Non-Executive Directors of our Company

Apart from the remuneration of our Managing/ Whole-time Directors and Executive Director as provided above, our Non-Executive Directors and Independent Directors are entitled to be paid sitting fees up to the limits prescribed by the Companies Act. They may also be paid commissions and any other amounts as may be decided by the Company in accordance with the provisions of the Articles, the Act and any other applicable Indian laws and regulations.

All our Independent Directors were appointed after the end of the Financial Year 2022, and hence no sitting fee or commission for the Financial Year 2022 is paid to them.

### Shareholding of Directors in our Company

Our Articles of Association do not require our Directors to hold qualification shares.

As on date of filing of this Draft Prospectus, except the following, none of our Directors holds any Equity Shares of our Company:

Sr. No.	Name of the Shareholder	No. of Equity Shares	Percentage of Pre-Issue Capital (%)	Percentage of Post-Issue Capital (%)
1.	Sonali Nilesh Kocharekar	3,84,274	36.42%	[●]%
2.	Smita Shashikant Shah	3,84,273	36.42%	[●]%
3.	Prakash Premkumar Jhangiani	120	0.01%	[●]%
	<b>Total</b>	<b>7,68,667</b>	<b>72.86%</b>	<b>[●]%</b>

### Borrowing Powers of the Board

Our Articles of Association, subject to the provisions of clause (c) of Sub-Section (1) of Section 180 of the Companies Act, 2013, authorizes our Board to raise, borrow or secure the payment of any sum or sums of money for the purposes of our Company.

The shareholders have, pursuant to a special resolution passed at the Extra-ordinary General Meeting held on September 15, 2022, in accordance with the provisions of clause (c) of Sub-Section (1) of Section 180 of the Companies Act, 2013, have authorized our Board to borrow monies from time to time, such sums of money even though the money so borrowed together with money already borrowed exceeds the aggregate of the paid-up capital and free reserves of the Company provided, however, that the total borrowing (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) shall not exceed ₹1,000.00 Lakhs.

For further details of the provisions of our Articles of Association regarding borrowing powers, please refer to the section titled 'Description of Equity Shares and Terms of Articles of Association' beginning on page 209 of this Draft Prospectus.

### Bonus or profit sharing plan for the Directors

Our Company does not have any bonus or profit-sharing plan for our directors.

### Contingent and Deferred Compensation payable to Directors

No Director has received or is entitled to any contingent or deferred compensation as on the date of filing this Draft Prospectus. Further, there is no contingent or deferred compensation accrued for the year, which is payable to our directors as on the date of filing this Draft Prospectus.

### INTERESTS OF OUR DIRECTORS

Our directors may be deemed interested to the extent of fees payable to them for attending meetings of the Board or a committee thereof as well as to the extent of remuneration paid to them or services rendered as a Director of our Company and reimbursement of expenses payable to them.

Further, except as disclosed under sub-section 'Shareholding of Directors in our Company' above, none of our Directors hold any Equity Shares or any other form of securities in our Company. 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 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 the Issue.

Our directors may also be regarded as interested in the Equity Shares, if any, held by them or that may be subscribed by and allotted to the companies, firms, and trusts, if any, in which they are interested as directors, members, promoters, and /or trustees pursuant to this Issue.

Our directors may also be deemed interested to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

Except as disclosed in this Draft Prospectus, no sum has been paid or agreed to be paid to any of our Directors or to any firm or company in which Director is a partner or member, in cash or shares or otherwise by any person either to induce such Director to become, or to qualify as, a director, or otherwise for services rendered by such Director or by such firm or company in connection with the promotion or formation of our Company.

### **Interest in promotion of our Company**

Our Promoter Directors are interested in our Company to the extent that of promotion 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 the Equity Shares held by them. As of the date of this Draft Prospectus, our Promoters hold an aggregate of 7,68,547 Equity Shares, aggregating to 72.85% of the pre-Issue issued, subscribed and paid-up Equity Share capital of our Company.

For details of Equity Shares held by our Promoter, please refer to paragraph titled '*Notes to Capital Structure*' under the section titled '*Capital Structure*' beginning on page 53 of this Draft Prospectus.

Further, except as stated in this section titled '*Our Management*' and the section titled '*Financial Statement - Annexure 22 – Restated Summary of Related Party Transactions*' beginning on page 108 and 145 of this Draft Prospectus respectively and to the extent to remuneration received/ to be received by our Directors, none of our Directors any interest in the promotion of our Company.

### **Interest in property, land, construction of building, supply of machinery**

Our Promoters do not have any interest in any property acquired by our Company within three years preceding the date of filing this Draft Prospectus or any property proposed to be acquired by our Company or in any transaction with respect to the acquisition of land, construction of building or supply of machinery or any other contract, agreement or arrangement entered into by our Company and no payments have been made or are proposed to be made in respect of these contracts, agreements or arrangements except as stated in '*Restated Financial Statements*' on page 128 of this Draft Prospectus.

### **Interest as Guarantor**

Except Prakash Premkumar Jhangiani, who is a guarantor of Vehicle Loan as stated in '*Financial Indebtedness*' on page 155 of this Draft Prospectus, none of our director hold any interest as Guarantor in the Company.

### **Interest as Director of our Company**

Sonali Nilesh Kocharekar, Smita Shashikant Shah and Prakash Premkumar Jhangiani are interested in our Company as the Managing Director; Whole Time Executive and Woman Director and Director; respectively to the extent of the remuneration is payable to them in this regard.

Further, Sundeep Paul Menezes and Ekta Anuj Chugani are the Non-Executive Independent Director of our Company and may be deemed to be interested to the extent of sitting fees, if any, payable for attending meetings of the Board or a Committee thereof as well as to the extent of commission and reimbursement of expenses payable for services rendered to our Company in accordance with the provisions of the Companies Act, 2013, terms of the Articles of Association and her terms of appointment. For further details, see '*Our Management*' beginning on page 108 of this Draft Prospectus.

### **Interest in the business of Our Company**

Save and except as stated otherwise in Related Party Transaction in the chapter titled '*Restated Financial Information*' beginning on page 128 of this Draft Prospectus, Our Directors do not have any other interests in our Company as on the date of this Draft Prospectus. Our directors are not interested in the appointment of Underwriters, Registrar and Bankers to the Issue or any such intermediaries registered with SEBI.

### **Bonus or Profit-Sharing Plan for the Directors**

There is no bonus or profit-sharing plan for the Directors of our Company.

### **Contingent and Deferred Compensation Payable to Directors**

No Director has received or is entitled to any contingent or deferred compensation.

### Other Indirect Interest

Except as stated in chapter titled – Restated Financial Information beginning on page 128 of this Draft Prospectus, none of our sundry debtors or beneficiaries of loans and advances are related to our directors.

### Changes in our Company’s Board of Directors during the last three (3) years

Save and except as mentioned below, there had been no change in the Directorship during the last three (3) years:

Name of Director	Date of Event	Reason for Change
Sonali Nilesh Kocharekar	March 15, 2022	Appointment
Smita Shashikant Shah	March 15, 2022	Appointment
Prakash Premkumar Jhangiani	March 15, 2022	Appointment
Sundeep Paul Menezes	August 20, 2022	Appointment
Ekta Anuj Chugani	August 20, 2022	Appointment

### Arrangements or understanding with major shareholders, customers, suppliers or others pursuant to which any of the Directors were selected as a Director or member of a senior management

There are no arrangements or understanding between major shareholders, customers, suppliers or others pursuant to which any of the Directors were selected as a Director or member of a senior management as on the date of this Draft Prospectus.

### Service Contracts

Our Company has not executed any service contracts with its directors providing for benefits upon termination of their employment.

### Common directorships of the Directors in companies whose shares are/were suspended from trading on the stock exchange(s) for a period beginning from five (5) years prior to the date of this Draft Prospectus

None of the Directors is/ are directors 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 (5) years.

### Common directorships of the Directors in listed companies that have been/were delisted from stock exchanges in India

None of the Directors is/ are directors of any entity whose shares were delisted from any Stock Exchange(s).

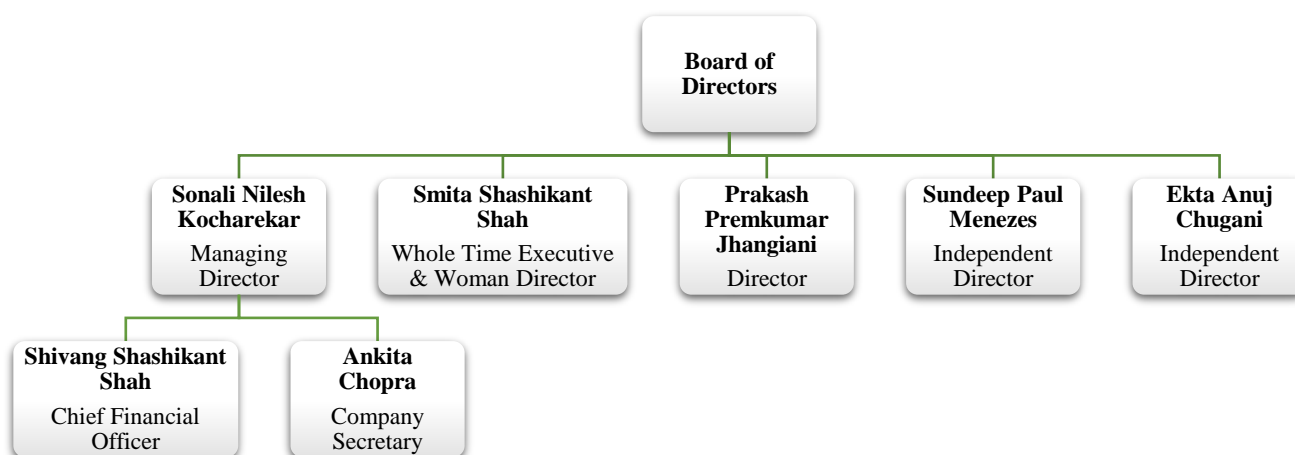
### Appointment of relatives of our directors to any office or place of profit

Other than as disclosed in this Draft Prospectus, none of the relatives of our directors currently hold any office or place of profit in our Company.

Further, none of the directors is/ are directors of any entity which has been debarred from accessing the capital markets under any order or directions issued by the Stock Exchange(s), SEBI or any other Regulatory Authority.

### MANAGEMENT ORGANIZATIONAL STRUCTURE

The following chart depicts our Management Organization Structure:



## COMPLIANCE WITH CORPORATE GOVERNANCE

Applicable provision of the Companies Act, 2013 with respect to corporate governance and the provisions of the SEBI (LODR) Regulations, as amended from time to time, will be applicable to our Company upon the listing of the Equity Shares with the Stock Exchanges. As on date of this Draft Prospectus, 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, 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 is not applicable to our Company, although we require to comply with requirement of the Companies Act, 2013 wherever applicable. 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, Stakeholders Relationship Committee and Nomination and Remuneration Committee. Our Board functions either on its own or through committees constituted thereof, to oversee specific operational areas.

The Board functions either as a full Board or through various committees constituted to oversee specific operational areas. Our Company has constituted the following Committees of the Board:

1. Audit Committee
2. Stakeholders Relationship Committee
3. Nomination and Remuneration Committee

### 1. Audit Committee

Our Company has formed the Audit Committee vide resolution passed in the meeting of Board of Directors held on September 10, 2022 as per the applicable provisions of the Section 177 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 (as amended).

The constituted Audit Committee comprises following members:

Name of the Director	Status in Committee	Nature of Directorship
Sundeep Paul Menezes	Chairman	Independent Director
Ekta Anuj Chugani	Member	Independent Director
Sonali Nilesh Kocharekar	Member	Managing Director

The Chief Financial Officer of our Company shall act as a secretary of the Audit Committee. The Chairman of the Audit Committee shall attend the Annual General Meeting of our Company to furnish clarifications to the shareholders in any matter relating to financial statements.

The scope and function of the Audit Committee and its terms of reference shall include the following:

#### A. Tenure

The Audit Committee shall continue to be in function as a Committee of the Board until otherwise resolved by the Board, to carry out the functions of the Audit Committee as approved by the Board.

#### B. Quorum and meetings of the Audit Committee

The Audit Committee shall meet at least four (4) times in a year and not more than one hundred twenty (120) days shall elapse between any two meetings. The quorum for the meeting shall be either two members or one third of the members of the Audit Committee, whichever is higher but there shall be presence of minimum two Independent Directors at each meeting.

#### C. Role and Powers

The role of Audit Committee together with its powers as Part C of Schedule II of SEBI (LODR) Regulations and Companies Act, 2013 shall be as under:

- (a) The recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- (b) Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- (c) Examination and reviewing of the financial statement and the auditors' report thereon before submission to the board for approval, with particular reference to:

- A. Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause (c) of Sub-Section (3) of Section 134 of the Act;
- ii. Changes, if any, in accounting policies and practices and reasons for the same;
  - iii. Major accounting entries involving estimates based on the exercise of judgment by management
  - iv. Significant adjustments made in the financial statements arising out of audit findings
  - v. Compliance with listing and other legal requirements relating to financial statements
  - vi. Disclosure of any related party transactions
  - vii. Qualifications in the draft audit report
- (d) Examination and reviewing, with the management, the quarterly financial statements before submission to the board for approval;
  - (e) Approval or any subsequent modification of transactions of the Company with related parties
  - (f) Scrutiny of inter-corporate loans and investments
  - (g) Valuation of undertakings or assets of the Company, wherever it is necessary;
  - (h) Evaluation of internal financial controls and risk management systems;
  - (i) Monitoring the end use of funds raised through public offers and related matters;
  - (j) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
  - (k) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
  - (l) 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;
  - (m) Discussion with internal auditors of any significant findings and follow up thereon;
  - (n) 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;
  - (o) 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;
  - (p) Look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends and creditors);
  - (q) Approval of appointment of Chief Financial Officer (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;
  - (r) Reviewing the Management discussion and analysis of financial condition and results of operations;
  - (s) Reviewing the Management letters / letters of internal control weaknesses issued by the statutory auditors;
  - (t) Reviewing the Internal audit reports relating to internal control weaknesses;
  - (u) Reviewing the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee;
  - (v) Reviewing the functioning of the Whistle Blower mechanism;



- (w) Reviewing/ redressal of complaint/s under the Sexual Harassment of Women at Workplace (Prohibition, Prevention & Redressal) Act, 2013;
- (x) Establishment of a vigil mechanism for directors and employees to report genuine concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy in such manner as may be prescribed, which shall also provide for adequate safeguards against victimization of persons who use such mechanism and make provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases:
- (y) Such other functions/ activities as may be assigned/ delegated from time to time by the Board of Directors of the Company and/ or pursuant to the provisions of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 (as amended) and SEBI (LODR) Regulations.

## 2. Stakeholders Relationship Committee

Our Company has formed the Stakeholders Relationship Committee as per Section 178 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 (as amended) vide board resolution dated September 10, 2022.

The constituted Stakeholders Relationship Committee comprises of the following members:

Name of the Director	Status in Committee	Nature of Directorship
Sundeep Menezes	Chairperson	Independent Director
Ekta Chugani	Member	Independent Director
Smita Shashikant Shah	Member	Whole Time Executive and Woman Director

The Compliance Officer of our Company shall act as a Secretary to the Stakeholders Relationship Committee.

The scope and function of the Stakeholders Relationship Committee and its terms of reference shall include the following:

### A. Tenure

The Stakeholders Relationship Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board, to carry out the functions of the Stakeholders Relationship Committee as approved by the Board.

### B. Quorum and meetings of the Stakeholders Relationship Committee

The quorum necessary for a meeting of the Stakeholders Relationship Committee shall be two members or one third of the members, whichever is greater. The Stakeholder Relationship Committee shall meet at least at least one time in a year and shall report to the Board on a quarterly basis regarding the status of redressal of complaints received from the shareholders of the Company. Since the formation of the Stakeholders Relationship Committee, no Stakeholders Relationship Committee meetings have taken place.

### C. Terms of Reference

The Stakeholders Relationship Committee shall oversee all matters pertaining to investors of our Company. The terms of reference of the Stakeholders Relationship Committee include the following:

Considering and resolving the grievance of security holders of the Company including complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends;

Such other functions / activities as may be assigned / delegated from time to time by the Board of Directors of the Company and/or pursuant to the provisions of the Act read with SEBI (LODR) Regulations.

## 3. Nomination and Remuneration Committee

Our Company has formed the Nomination and Remuneration Committee as per Section 178 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 (as amended) vide board resolution dated September 10, 2022. The Nomination and Remuneration Committee comprises of the following members:

Name of the Director	Status in Committee	Nature of Directorship
Sundeep Menezes	Chairman	Independent Director
Ekta Chugani	Member	Independent Director
Sonali Kocharekar	Member	Managing Director

The Compliance Officer or Chief Financial Officer of our Company shall act as a Secretary to the Nomination and Remuneration Committee. The scope and function of the Committee and its terms of reference shall include the following:

#### A. Tenure

The Nomination and Remuneration Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board.

#### B. Quorum and meetings of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee shall meet as and when the need arises for review of Managerial Remuneration. The quorum for the meeting shall be one third of the total strength of the committee or two members, whichever is higher. The Chairperson of the Nomination and Remuneration Committee may be present at the annual general meeting, to answer the shareholders' queries; however, it shall be up to the chairperson to decide who shall answer the queries.

#### C. Terms of Reference:

- (a) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- (b) Formulation of criteria for evaluation of Independent Directors and the Board;
- (c) Devising a policy on Board diversity;
- (d) 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 carry out evaluation of every director's performance;
- (e) Determining, reviewing and recommending to the Board, the remuneration of the Company's Managing/ Joint Managing/ Deputy Managing/ Whole time/ Executive Director(s), including all elements of remuneration package;
- (f) To ensure that the relationship of remuneration to perform is clear and meets appropriate performance benchmarks.
- (g) Formulating, implementing, supervising and administering the terms and conditions of the Employee Stock Option Scheme, Employee Stock Purchase Scheme, whether present or prospective, pursuant to the applicable statutory/regulatory guidelines;
- (h) Carrying out any other functions as authorized by the Board from time to time or as enforced by statutory/ regulatory authorities.

### **POLICY ON DISCLOSURES AND INTERNAL PROCEDURE FOR PREVENTION OF INSIDER TRADING**

The provisions of the Sub-Regulation (1) of Regulation 9 of SEBI (Prohibition of Insider Trading) Regulations, as amended, will be applicable to our Company immediately upon the listing of Equity Shares. We shall comply with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, as amended, on listing of Equity Shares. Further, Board of Directors at their meeting held on September 10, 2022, has approved and adopted the policy on insider trading in view of the proposed public issue.

The Compliance Officer of our Company will be responsible for setting forth policies, procedures, monitoring and adherence to the rules for the preservation of price sensitive information and the implementation of the Code of Conduct under the overall supervision of the Board.

### **POLICY FOR DETERMINATION OF MATERIALITY AND MATERIALITY OF RELATED PARTY TRANSACTIONS AND ON DEALING WITH RELATED PARTY TRANSACTIONS**

The provisions of the SEBI (LODR) Regulations will be applicable to our Company immediately upon the listing of Equity Shares of our Company. We shall comply with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, as amended, on listing of

Equity Shares. The Board of Directors at their meeting held on September 12, 2022 has approved and adopted the policy for determination of materiality and determination of materiality of related party transactions and on dealing with related party transactions.

## KEY MANAGERIAL PERSONNEL

### Profile of Key Managerial Personnel

The details of the Key Managerial Personnel as on the date of this Draft Prospectus are set out below. Except for certain statutory benefits, there are no other benefits accruing to the Key Managerial Personnel.

**Ms. Sonali Nilesh Kocharekar**, aged 38 years, has been director on the Board since incorporation. She has completed her diploma in Pharmacy from SNDT College, Mumbai; and has completed her bachelor's in Business Administration (BBA) from Pondicherry University, Directorate of Distance Education. She has more than 12 years of experience being a dietician/nutritionist. She is also a prominent member on the Nutrition Technology Panels Several Organizations. She is Engaged with state-run programs & NGOs to provide low-cost daily interventions of nutrition that address issues of malnutrition & depleted immunity in groups of unprivileged populations through an integrated & sustainable approach. Under her dynamic leadership, our Company will grow immensely. Further, she has been associated with the Company as a Promoter. She is responsible for the manufacturing and overall working of the Company and is instrumental in making strategic decisions for the Company.

**Ms. Smita Shahshikant Shah**, aged 61 years, is the Whole Time Executive Director & Woman Director of our Company w.e.f. March 15, 2022. She is also a Promoter of our Company. She holds a Bachelors degree in Commerce from Marathwada University. Before coming on board, she had co-founded Appetite Food with Ms. Sonali Kocharekar, and they then decided to exponentially grow and extend the scope of business with this venture. Her passion for all things food related along with her great work ethic and philanthropic qualities, makes her a valuable asset for the Company, and drive will help the Company achieve its future goals. She is currently managing new recipe creation in the Company.

**Mr. Shivang Shah**, aged 39 years, was appointed as the Chief Financial Officer (CFO) and Compliance Officer of our Company w.e.f. September 03, 2022. He holds a Bachelor degree in Commerce from Mumbai University He is associated with the Company as CFO w.e.f. September 03, 2022. He has an experience of 13+ years in IT Solution Sales & Channel Management, with leading MNC's like DELL & Huawei. He successfully created & headed a profitable e-comm venture – Mott2 until Aug 2020.

**Ms. Ankita Chopra**, aged 30 years, was appointed as the Company Secretary w.e.f. December 15, 2022. She holds a Bachelor degree in Commerce from Vikram University, Ujjain and Company Secretary from Institute of Company Secretaries of India. Before joining our Company, she had worked for about 16 months with CRP Risk Management Ltd as Company Secretary taking care of listing and secretarial compliances.

### Status of Key Management Personnel in our Company

All our Key Managerial Personnel are permanent employees of our Company. The term of office of our key managerial personnel is until the attainment of 70 years of age.

### Shareholding of Key Management Personnel in our Company

The details of the shareholding of our Key Managerial Personnel as on the date of this Draft Prospectus are as follows:

Sr. No.	Name of the Key Managerial Personnel	Designation	No. of Equity Shares	Percentage of Pre-Issue Capital (%)	Percentage of Post-Issue Capital (%)
1	Sonali Nilesh Kocharekar	Managing Director	3,84,274	36.42	[●]
2	Smita Shashikant Shah	Whole Time Director	3,84,273	36.42	[●]
3	Shivang Shah	Chief Financial Officer	120	0.01	[●]
	<b>Total</b>		<b>7,68,667</b>	<b>72.86</b>	[●]

### Interests of Key Management Personnel

The Key Management Personnel do not have any interest in our Company other than to the extent of the remuneration 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.

Our Key Management Personnel may be deemed interested to the extent of Equity Shares that may be subscribed for and allotted to them, pursuant to this Issue. Such Key Management Personnel may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

Our Key Management Personnel may 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 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 the Issue.

#### **Payment of Benefits to Officers of Our Company (non-salary related)**

Except as disclosed in this Draft Prospectus and any statutory payments made by our Company to its officers, our Company has not paid any sum, any non-salary related amount or benefit to any of its officers or to its employees including amounts towards superannuation, ex-gratia rewards.

Except statutory benefits upon termination of employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of such officer's employment in our Company or superannuation. Contributions are made by our Company towards provident fund, gratuity fund and employee state insurance.

Except as stated under section titled 'Financial Information' beginning on page 128 of this Draft Prospectus, none of the beneficiaries of loans and advances or sundry debtors are related to our Company, our Directors or our Promoters.

#### **Remuneration/ Compensation paid to our Key Managerial Personnel**

Except as mentioned below, no other current Key Managerial Personnel have received remuneration/ compensation during the Financial Year 2022, and December 31, 2022:

#	Name of Person	Designation	Period ended December 31, 2022	₹ in Lakhs
				Financial Year 2022
1.	Sonali Nilesh Kocharekar <sup>#</sup>	Managing Director	–	–
2.	Smita Shashikant Shah <sup>#</sup>	Whole Time Director	–	–
3.	Shivang Shah <sup>#</sup>	Chief Financial Officer	–	–
4.	Ankita Chopra	Company Secretary	NA*	NA*

<sup>#</sup> Ms. Sonali Kocharekar, Ms. Smita Shah and Mr. Prakash Jhangiani has suggested to forgo the remuneration to be paid to them from April 1, 2022 to June 30, 2023 considering the growing stage of the Company. The same has been considered by the Board and approved in the Board Meeting dated January 25, 2023

\*Appointed Ms. Ankita Chopra w.e.f. from December 15, 2022.

#### **Relationship among Key Managerial Personnel and among Key Management Personnel and directors**

Except, the detail information provided none of the Key Managerial Personnel is related to each other:

#	Particulars	Designation	Relative	Relation
1.	Ms. Smita Shashikant Shah	Whole Time Director	Mr. Shivang Shah	Mother and Son
2.	Mr. Shivang Shah	CFO & Compliance Officer	Ms. Smita Shashikant Shah	

#### **Arrangement or understanding with major shareholders, customers, suppliers or others pursuant to which any of the Key Managerial Personnel was selected as a key managerial personnel**

None of the above Key Managerial Personnel has been selected pursuant to any major shareholders, customers, suppliers or others pursuant to which any of the Key Managerial Personnel was selected as key managerial personnel.

#### **Details of Service Contracts of the Key Managerial Personnel**

Except for the terms set forth in the appointment letters, the Key Managerial Personnel have not entered into any other contractual arrangements with our Company for provision of benefits or payments of any amount upon termination of employment.

#### **Bonus and/ or Profit Sharing Plan for the Key Managerial Personnel**

Our Company does not have any bonus and/ or profit-sharing plan for the Key Managerial Personnel. However, our Company makes bonus payments to the employees based on their performances, which is as per their terms of appointment.

#### **Contingent and Deferred Compensation payable to Key Managerial Personnel**

None of our Key Managerial Personnel has received or is entitled to any contingent or deferred compensation.

#### **Employee Stock Option or Employee Stock Purchase**

Our Company has not granted any options or allotted any Equity Shares under the ESOP Scheme as on the date of this Draft Prospectus.

#### **Loans availed by Directors/ Key Managerial Personnel of our Company**

None of the Directors or Key Managerial Personnel have availed loan from our Company which is outstanding as on the date of this Draft Prospectus.

#### **Changes in Our Company's Key Managerial Personnel during the last three (3) years**

Changes in our Key Management Personnel during the three years immediately preceding the date of this Draft Prospectus are set forth below: The Company has appointed following person as KMP.

<b>Name of Employee</b>	<b>Designation</b>	<b>Date of Appointment</b>
Sonali Nilesh Kocharekar	Managing Director	March 15, 2022
Smita Shashikant Shah	Whole Time Director	March 15, 2022
Shivang Shah	CFO	March 15, 2022
Ankita Chopra	Company Secretary	December 15, 2022

## OUR PROMOTERS AND PROMOTER GROUP

### OUR PROMOTERS

Our Promoters are Sonali Nilesh Kocharekar, and Smita Shashikant Shah. As on date of this Draft Prospectus, our Promoters hold an aggregate of 7,68,547 Equity Shares, aggregating to 72.85% of the pre- issued, subscribed and paid-up Equity Share capital of our Company. For further details, please refer to the '*Capital Structure*' beginning on page 53 of this Draft Prospectus.

#### Details of Individual Promoters of our Company



**Sonali Nilesh Kocharekar**, aged 38 years, has been director on the Board since incorporation Managing Director w.e.f. March 15, 2022. She has completed her diploma in Pharmacy from SNDT College, Mumbai; and has completed her bachelor's in Business Administration from Pondicherry University, Delhi Board. She has more than 12 years of experience being a dietician/nutritionist. She is also a prominent member on the Nutrition Technology Panels Several Organizations. She is associated with the Company since its inception as a Promoter. She is Engaged with state-run programs & NGOs to provide low-cost daily interventions of nutrition that address issues of malnutrition & depleted immunity in groups of unprivileged populations through an integrated & sustainable approach. Under her dynamic leadership, our Company will grow immensely. Further, she has been associated with the Company as a Promoter. She is responsible for the manufacturing and overall working of the Company and is instrumental in making strategic decisions for the Company.

For further details, please refer to section titled '*Our Management*' beginning on page 108 of this Draft Prospectus.

*Permanent Account Number:* AIHPC0971D

*Date of Birth:* October 06, 1984

*Residential Address:* 406/D1, Mahindra Colony, Western Express Highway Road, Near Nancy Depot, Shree Krishna Nagar, Borivali East, Mumbai, Maharashtra, 400066

*Aadhar Number:* 2124 2492 2075

*Voter's Identification Number:* Not available

*Passport Number:* U1087868

*Driving License Number:* Not Available

*Name of Bank:* State Bank of India

*Bank Account Number:* 39812986706

*Position/posts held in the past:* Nil

*Directorship held in Other Companies:* Nil

*Other Ventures:* Nil



**Smita Shashikant Shah**, aged 61 years, is the Whole Time Executive & Woman Director of our Company and is associated with our Company since incorporation. She holds a Bachelor degree in Commerce from Marathwada University, Maharashtra. Before coming on Board, she had co-founded Appetite Food with Ms. Sonali Kocharekar, and they then decided to exponentially grow and extend the scope of business with this venture. Her passion for all things food related along with her great work ethic and philanthropic qualities, makes her a valuable asset for the Company, and drive will help the Company achieve its future goals. She is currently managing new recipe creation in the Company.

For further details, please refer to section titled '**Our Management**' beginning on page 108 of this Draft Prospectus.

*Permanent Account Number:* AQDPS6943H

*Date of Birth:* June 01, 1961

*Residential Address:* D-504, Yudhishtir CHIN. L. Complex, Teh-Borivali. Dist-Mumbai Suburban, Maharashtra-400068, India

*Aadhar Number:* 647658478244

*Voter's Identification Number:* YBB8877425

*Passport Number:* U5003143

*Driving License Number:* MH4720190037059

*Name of Bank:* Kotak Mahindra Bank Limited

*Bank Account Number:* 1612585206

*Position/posts held in the past:* Nil

*Directorship held in Other Companies:* Nil

*Other Ventures:* Nil

*We confirm that the Permanent Account Number, Bank Account Number(s) and Passport Number of our Promoters have been submitted to the Stock Exchange at the time of filing of this Draft Prospectus.*

Further, our Promoters, members of our Promoter Group, and relatives of our Promoters have confirmed that they have not been identified as wilful defaulters by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI.

Neither our Promoters nor members of our Promoter Group or any persons in control have been debarred or restricted from accessing the capital markets for any reason, by SEBI or any other authorities. Our Promoters are not, nor have been promoter, director or person in control of any company, which is debarred or restricted from accessing the capital markets for any reason, by SEBI or any other authorities.

## **CHANGE IN MANAGEMENT AND CONTROL OF THE COMPANY**

There has been no change in the control or management of our Company since its incorporation.

## **INTERESTS OF OUR PROMOTERS**

### **Interest in the promotion of the Company**

Our Promoter Directors are interested in our Company to the extent that of promotion 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 the Equity Shares held by them. As of the date of this Draft Prospectus, our Promoters hold an aggregate of 7,68,547 Equity Shares, aggregating to 72.85 % of the pre-Issue issued, subscribed and paid-up Equity Share capital of our Company.



For details of Equity Shares held by our Promoters, please refer to paragraph titled '*Notes to Capital Structure*' under the section titled '*Capital Structure*' beginning on page 53 of this Draft Prospectus.

Further, except as stated in this section titled '*Our Management*' and the section titled '*Financial Statement - Annexure 22 – Restated Summary of Related Party Transactions*' beginning on page 108 and 145 of this Draft Prospectus respectively and to the extent to remuneration received/ to be received by our Directors, none of our Directors any interest in the promotion of our Company.

#### **Interest in property, land, construction of building, supply of machinery**

Our Promoters do not have any interest in any property acquired by our Company though a lease agreement within three years preceding the date of filing this Draft Prospectus or any property proposed to be acquired by our Company or in any transaction with respect to the acquisition of land, construction of building or supply of machinery or any other contract, agreement or arrangement entered into by our Company and no payments have been made or are proposed to be made in respect of these contracts, agreements or arrangements except as stated in '*Restated Financial Statements*' on page 128 of this Draft Prospectus.

#### **Interest as Guarantor**

None of our Promoter have extended personal guarantees or collateral securities to the borrowing facilities availed by our Company.

#### **Interest as a director**

Ms. Sonali Nilesh Kocharekar and Ms. Smita Shashikant Shah are also interested in our Company as the Managing Director and Whole Time Executive & Woman Director respectively to the extent the remuneration is payable to them in this regard.

For further details, see '*Our Management*' beginning on page 108 of this Draft Prospectus.

#### **Interest of Promoters in Intellectual Property**

Our Promoters are not interested in any entity, which holds any intellectual property rights that are used by our Company.

#### **Interest in Other ventures of our Promoters**

Our Promoters are not involved with any other ventures, except as disclosed in this Draft Prospectus. Further, our Promoters are not involved in any venture that is in the same line of activity or business as that of our Company.

#### **Business Interests**

Except as disclosed in this Draft Prospectus, the Promoters were interested as a member/partner of a firm or company, and a sum has been paid or agreed to be paid to the Promoter or to such firm or company in cash or shares or otherwise by any person for services rendered by it or by such firm or company in connection with the promotion or formation of our Company.

For further details in relation to the same, please refer to the section titled '*Financial Information*', beginning on page 128 of this Draft Prospectus.

#### **Payment of Amounts or Benefits to our Promoters or Promoter Group during the last two years**

Except as stated in '*Financial Information*' beginning on page 128 of this Draft Prospectus, no amount or benefit has been paid by our Company to our Promoters or the members of our Promoter Group since the incorporation of the Company.

#### **Material Guarantees given to Third Parties**

As on the date of this Draft Prospectus, none of our Promoters have given material guarantees to the third party (ies) with respect to the Equity Shares of our Company.

#### **Our Promoter Group**

In addition to our Promoters named hereinabove, the following natural persons are part of our Promoter Group in terms of Regulation 2(1)(pp) (ii) of SEBI (ICDR) Regulations:

Name of our Promoter	Name of the Relatives	Relationship with the Relative
Sonali Nilesh Kocharekar	Father	Gajanan Chavan
	Mother	Minal Chavan
	Spouse	Late Nilesh Kocharekar
	Brother(s)	Pankaj Chavan
	Son	Ruddraansh Kocharekar
	Spouse's Father	Late Chandrakant Kocharekar
	Spouse's Mother	Rohini Kocharekar
	Spouse's Brother	Late Bhalchandra Kocharekar
Smita Shashikant Shah	Father	Late Rajababu Kapadia
	Mother	Pushpa Kapadia
	Spouse	Shashikant Shah
	Bother(s)	Sushil Kapadia
	Son	Shivang Shah
	Daughter	Smruti Kadakia
	Spouse's Father	Late Chimanlal Shah
	Spouse's Mother	Late Savita Shah
	Spouse's Sister	Late Kokila Mehta, Padma Sheth

Our Promoter Group as defined under Regulation 2(1)(pp)(iii) of the SEBI (ICDR) Regulations, includes following entities:

Nature of Relationship	Sonali Nilesh Kocharekar	Smita Shashikant Shah
Anybody corporate in which Promoter or Immediate relative or a firm/ HUF in which core promoter or immediate relative is partner/ proprietor holds individually or collectively 20% shareholding and more.	Nil	Nil
Anybody corporate in which a body corporate mentioned above holds 20% or more of the total shareholding.	Nil	Nil
Any HUF / Firm in which Core Promoter or Immediate relative holds individually or collectively 20% stake and more.	Nil	Nil

#### Companies with which the Promoters has disassociated in the last three years

None of our Promoter have disassociated themselves from any of the companies, firms or entities during the last three years preceding the date of this Draft Prospectus.

#### Related Party Transactions

For details of related party transactions entered into by our Promoter, Promoter Group and our Company during the last financial year, the nature of transactions and the cumulative value of transactions, please refer to "Annexure 24 Restated Statement of Related Party Transaction" chapter titled "Financial Statements" beginning on page 128 of this Draft Prospectus.

#### Experience of Promoters in the line of business

Our Promoters are well experienced in the Company's line of business. The Company shall also endeavour to ensure that relevant professional help is sought as and when required in the future.

#### Litigation details pertaining to our Promoters

For details on litigations and disputes pending against the Promoters and defaults made by our Promoters, please refer to section titled 'Outstanding Litigations and Material Developments' beginning on page 156 of this Draft Prospectus.

#### Other Confirmation

As on the date of this Draft Prospectus, our Promoters and members of our Promoter Group have not been prohibited by SEBI or any other regulatory or governmental authority from accessing capital markets for any reasons. Further, our Promoters were not and are not promoters or persons in control of any other company that is or has been debarred from accessing the capital markets under any order or direction made by SEBI or any other authority. There is no litigation or legal action pending or taken by any ministry, department of the

Government or statutory authority against our Promoters during the last five (5) years preceding the date of this Draft Prospectus, except as disclosed under chapter titled '*Outstanding Litigation and Material Developments*' beginning on page 156 of this Draft Prospectus.

Our Promoters and members of our Promoter Group have neither been declared as a wilful defaulter nor as a fugitive economic offender as defined under the SEBI (ICDR) Regulations, and there are no violations of securities laws committed by our Promoters in the past and no proceedings for violation of securities laws are pending against our Promoters.

## **OUR GROUP COMPANIES**

In terms of the SEBI ICDR Regulations 'group companies' of our Company shall include (i) the companies with which there were related party transactions as disclosed in the Restated Financial Statements during any of the last three Financial Years in respect of which the Restated Financial Statements are included in this Draft Prospectus; and (ii) such other companies as considered material by the Board. For the purposes of (ii) above, pursuant to the resolution passed by our Board at its meeting held on September 12, 2022, the Board has approved that no companies shall be considered material.

Accordingly, based on the parameters outlined above, as on the date of this Draft Prospectus, our Board has not identified any group company.

## **DIVIDEND POLICY**

The declaration and payment of dividends on our Equity Shares, if any, will be recommended by the Board of Directors and approved by our Shareholders, at their discretion, subject to the provisions of the Articles of Association and other applicable law, including the Companies Act read with the rules notified thereunder, each as amended, together with the applicable rules issued thereunder.

The dividend policy of our Company was adopted and approved by our Board in their meeting held on September 10, 2022 (“Dividend Policy”). In terms of the Dividend Policy, the dividend, if any, will depend on a number of internal factors such as, profitability, free cash flow, growth plans, borrowing capacity, investment opportunities or any other factor which is likely to have a significant impact on the Company, and external factors, such as contractual or statutory restrictions, growth and performance of the economy or any other external factors which may impact the Company’s operations.

Our Company has not declared and/or paid any dividend on Equity Shares since its incorporation.

## SECTION IX – FINANCIAL INFORMATION

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**RESTATED FINANCIAL STATEMENTS' INDEPENDENT AUDITORS' REPORT ON RESTATED  
FINANCIAL INFORMATION**  
**(As required by Section 26 of Companies Act, 2013 read with Rule 4 of Companies (Prospectus and Allotment  
of Securities) Rules, 2014)**

To,  
**The Board of Directors,**  
**Sonalis Consumer Products Limited**  
Unit No.16, Ground Level,  
Loft & Basement, Sethia Industrial Estate,  
Tungareshwar Phata, Vasai – East, Palghar,  
Thane 410208.

Dear Sir,

We have examined the attached Restated Financial Information of Sonalis Consumer Products Limited (hereunder referred to “the Company”, “Issuer”) comprising the Restated Statement of Assets and Liabilities as at December 31, 2022 & March 31, 2022 the Restated Statement of Profit & Loss, the Restated Cash Flow Statement for the stub period ended on December 31, 2022 & Financial Year Ended on March 31, 2022 the Summary statement of Significant Accounting Policies and other explanatory Information (Collectively referred as the “**Restated Financial Information**”) as approved by the Board of Directors in their meeting held on January 25, 2023 for the purpose of inclusion in the Offer Document, prepared by the Company in connection with its Initial Public Offer of Equity Shares (IPO) and prepared in terms of the requirement of:-

- a) Section 26 of Part I of Chapter III of the Companies Act, 2013”as amended (the “Act”);
- b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018 (“ICDR Regulations”) as amended (ICDR Regulations”); and
- c) The Guidance Note on Reports in Company Prospectus (Revised 2019) issued by the Institute of Chartered Accountants of India as amended from time to time. (“The Guidance Note”).

The Company’s Board of Directors is responsible for the preparation of the Restated Financial Information for the purpose of inclusion in the offer document to be filed with Stock Exchange, Securities and Exchange Board of India, and Registrar of Companies, Mumbai in connection with the proposed IPO. The Restated Financial Information have been prepared by the management of the Company for the stub period ended on December 31, 2022 & Financial Year Ended on March 31, 2022 on the basis of preparation stated in ANNEXURE – D to the Restated Financial Information. 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 Information.

We have examined such Restated Financial Information taking into consideration:

- a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated November 10, 2022 in connection with the proposed IPO of equity shares of the Company;
- b) 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 Information; 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 IPO.

These Restated Financial Information have been compiled by the management from:

- a) Audited financial statements of company as at and for the stub period ended on December 31, 2022 & Financial Year ended on March 31, 2022 prepared by us 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. The audit

report on the financial statements were modified and included following matter(s) giving rise to modifications on the financial statements as at and for the period ended on December 31, 2022 & March 31, 2022:

- b) The Restated Financial Information or Restated Summary Financial Statement have been made after incorporating adjustments for the changes in accounting policies retrospectively in respective financial period to reflect the same accounting treatment as per the changed accounting policy for all reporting periods, if any;
- c) The Restated Financial Information or Restated Summary Financial Statement have been made after incorporating adjustments for prior period and other material amounts in the respective financial period to which they relate and there are no qualifications which require adjustments;
- d) Extra-ordinary items that needs to be disclosed separately in the accounts has been disclosed wherever required;
- e) There were no qualifications in the Audit Report issued by us for the Period Ended December 31, 2022 & March 31, 2022 which would require adjustments in this Restated Financial Statements of the Company;
- f) Profits and losses have been arrived at after charging all expenses including depreciation and after making such adjustments/restatements and regrouping as in our opinion are appropriate and are to be read in accordance with the Significant Accounting Polices and Notes to Accounts as set out in ANNEXURE – D to this report;
- g) Adjustments in Restated Financial Information or Restated Summary Financial Statement have been made in accordance with the correct accounting policies;
- h) There was no change in accounting policies, which needs to be adjusted in the Restated Financial Information or Restated Summary Financial Statement;
- i) There are no revaluation reserves, which need to be disclosed separately in the Restated Financial Information or Restated Summary Financial Statement
- j) The Company has not paid any dividend since its incorporation.

*P.S. the Company was incorporated on March 15, 2022 and Bank Account was opened in the first week of April 2022. Therefore, the financial statements were consisting of share capital and the cheques on hand towards subscribers for MOA which got allotted in the month of April 2022. Therefore, there are no audited financial statements for FY 2022. However, for representation purpose the same is included in the restatement of financial statements.*

In accordance with the requirements of Part I of Chapter III of Act including rules made there under, ICDR Regulations, Guidance Note and Engagement Letter, we report that:

- a) The “Restated Statement of Assets and Liabilities” as set out in ANNEXURE – A to this report, of the Company as at December 31, 2022 & March 31, 2022 is prepared by the Company and approved by the Board of Directors. These Restated Summary Statement of Assets and Liabilities have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in ANNEXURE – D to this Report.
- b) The “Restated Statement of Profit and Loss” as set out in ANNEXURE – B to this report, of the Company for the stub period Ended on December 31, 2022 & Financial Year Ended on March 31, 2022 is prepared by the Company and approved by the Board of Directors. These Restated Summary Statement of Profit and Loss have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in ANNEXURE – D to this Report.
- c) The “Restated Statement of Cash Flow” as set out in ANNEXURE – C to this report, of the Company for the stub period ended on December 31, 2022 & Financial Year Ended on March 31, 2022 is prepared by the Company and approved by the Board of Directors. These Statement of Cash Flow, as restated have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in ANNEXURE – D to this Report.

We have also examined the following other financial information relating to the Company prepared by the Management and as approved by the Board of Directors of the Company and annexed to this report relating to the Company for the stub Period ended on December 31, 2022 & Financial Year Ended on March 31, 2022 proposed to be included in the Draft Prospectus / Prospectus (“Offer Document”) for the proposed IPO.

Restated Statement of Share Capital, Reserves and Surplus	Annexure – A.1 & Annexure – A.2
Restated Statement Principal Terms of Secured and Unsecured Loans	Annexure – A.3
Restated Statement of Trade Payables	Annexure – A.4
Restated Statement of Other Current Liabilities and Short-Term Provisions	Annexure – A.5 & Annexure – A.6
Restated Statement of Fixed Assets	Annexure – A.7
Restated Statement of Inventories	Annexure – A.8
Restated Statement of Trade Receivables	Annexure – A.9



Restated Statement of Cash & Cash Equivalents	Annexure – A.10
Restated Statement of Short-Term Loans & Advances	Annexure – A.11
Restated Statement of Other Current Assets	Annexure – A.12
Restated Statement of Revenue from Operations	Annexure – B.1
Restated Statement of Cost of Material Consumed	Annexure – B.2
Restated Statement of Change in Inventories of Fin–shed Goods	Annexure - B.3
Restated Statement of Employee Benefit Expenses	Annexure - B.4
Restated Statement of Finance Cost	Annexure - B.5
Restated Statement of Depreciation & Amortization	Annexure - B.6
Restated Statement of Other Expenses	Annexure – B.7
Restated Statement of Cash Flows	Annexure – C
Summary of Significant Accounting Policies and Notes to Accounts as restated	Annexure – D
Material Adjustment to the Restated Financial	Annexure – E
Restated Statement of Tax shelter	Annexure – F
Restated Statement of Capitalization	Annexure – G
Restated Standalone Statement of Accounting Ratios	Annexure – H
Restated Standalone Statement of Related Party Disclosures	Annexure – I

In our opinion and to the best of information and explanation provided to us, the Restated Financial Information of the Company, read with significant accounting policies and notes to accounts as appearing in ANNEXURE – D are prepared after providing appropriate adjustments and regroupings as considered appropriate.

We, M/s. SSRV & Associates, Chartered Accountants have been subjected to the peer review process of the Institute of Chartered Accountants of India (“ICAI”) and hold a valid peer review certificate issued by the “Peer Review Board” of the ICAI.

The preparation and presentation of the Financial Statements referred to above are based on the Audited financial statements of the Company and are in accordance with the provisions of the Act and ICDR Regulations. The Financial Statements and information referred to above is the responsibility of the management of the Company.

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 any other Firm of Chartered Accountants nor should this report be construed as a new opinion on any of the financial statements referred to therein.

We have no responsibility to update our report for events and circumstances occurring after the date of the report.

In our opinion, the above financial information contained in ANNEXURE – A to I of this report read with the respective Significant Accounting Polices and Notes to Accounts as set out in ANNEXURE – D are prepared after making adjustments and regrouping as considered appropriate and have been prepared in accordance with the Companies Act, ICDR Regulations, Engagement Letter and Guidance Note.

*Our report is intended solely for use of the management and for inclusion in the Offer Document in connection with the SME IPO for the Proposed Issue of Equity Shares of the Company and our report should not be used, referred to or distributed for any other purpose without our prior consent in writing.*

**For, M/s SSRV & Associates**  
**Chartered Accountants**  
Firm Registration #: - 135901W  
Peer Review # – 014729

**Sd/-**  
**CA Vishnu Kant Kabra**  
**(Partner)**

Membership # 403437  
UDIN – 23403437BGWCUR6565  
Date: January 25, 2023  
Place: Mumbai

**ANNEXURE – A: RESTATED STATEMENT OF ASSETS AND LIABILITIES**

(₹ in Lakhs)

Particulars	Note No.	As at December 31, 2022	As at March 31, 2022
<b>Equity and Liabilities</b>			
<b>Shareholders' Funds</b>		<b>349.21</b>	<b>5.00</b>
Share Capital	<b>A.1</b>	105.50	5.00
Reserves & Surplus	<b>A.2</b>	243.71	–
<b>Non-Current Liabilities</b>		<b>5.41</b>	–
Long-Term Borrowings	<b>A.3</b>	5.41	–
Other Non-Current Liabilities		–	–
Long-Term Provisions		–	–
Deferred Tax Liabilities (Net)		–	–
<b>Current Liabilities</b>		<b>295.61</b>	–
Short Term Borrowings		–	–
Trade Payable:	<b>A.4</b>	83.88	–
(A) total outstanding dues of micro enterprises and small enterprises; and		83.88	–
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		–	–
Other Current Liabilities	<b>A.5</b>	187.22	–
Short Term Provisions	<b>A.6</b>	24.05	–
<b>Total</b>		<b>649.77</b>	<b>5.00</b>
<b>Assets</b>			
<b>Non-Current Assets</b>		<b>15.68</b>	–
Property, Plant and Equipment		–	–
Tangible Assets	<b>A.7</b>	15.68	–
Capital Work In Progress		–	–
Intangible Assets		–	–
Non-Current Investments		–	–
Deferred Tax Assets		–	–
Long Term Loans & Advances		–	–
Non-Current Investments		–	–
Other Non-Current Assets		–	–
<b>Current Assets</b>		–	–
Current Investments		–	–
Inventories	<b>A.8</b>	298.74	–
Trade Receivables	<b>A.9</b>	27.44	–
Cash and Cash Equivalents	<b>A.10</b>	69.93	5.00
Short-Term Loans and Advances	<b>A.11</b>	232.85	–
Other Current Assets	<b>A.12</b>	5.12	–
<b>Total</b>		<b>649.77</b>	<b>5.00</b>

**ANNEXURE – B: RESTATED STATEMENT OF PROFIT AND LOSS**

(₹ in Lakhs)

Particulars	Note No.	For the period ended	
		December 31, 2022	March 31, 2022
<b>Revenue:</b>			
Revenue from Operations	<b>B.1</b>	420.47	–
Other Income		0.01	–
<b>Total Revenue</b>		<b>420.47</b>	–
<b>Expenses:</b>			
Cost of Material Consumed	<b>B.2</b>	578.01	–
Purchase of Stock in Trade		–	–
Change in Inventories of Finished Goods, WIP & Stock in Trade	<b>B.3</b>	(298.74)	–
Employees Benefit Expenses	<b>B.4</b>	6.96	–
Finance costs	<b>B.5</b>	0.14	–
Depreciation and Amortization	<b>B.6</b>	0.27	–
Other expenses	<b>B.7</b>	41.34	–
<b>Total Expenses</b>		<b>327.97</b>	–
<b>Profit Before Exceptional and Extraordinary Items and Tax</b>		<b>92.50</b>	–
Exceptional Items		–	–
<b>Profit Before Extraordinary Items and Tax</b>		<b>92.50</b>	–
Extraordinary Items		–	–
<b>Profit Before Tax</b>		<b>92.50</b>	–
<b>Tax Expense:</b>		<b>24.05</b>	
Current Tax		24.05	–
Deferred Tax		–	–
<b>Profit (Loss) for the period from continuing operations</b>		<b>68.45</b>	–
<b>Earning per equity share in Rs.:</b>			
(1) Basic		10.08	–
(2) Diluted		10.08	–

**ANNEXURE – C: RESTATED STATEMENT OF CASH FLOW**

(₹ in Lakhs)

Particulars	For the period ended	
	December 31, 2022	March 31, 2022
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit/ (Loss) before tax	<b>92.50</b>	–
Adjustments for:		
Depreciation	0.27	–
Interest Expenditure	0.14	–
<b>Operating profit before working capital changes</b>	<b>92.91</b>	–
Movements in working capital:		
(Increase)/Decrease in Inventories	(298.74)	–
(Increase)/Decrease in Trade Receivables	(27.44)	–
(Increase)/Decrease in Short Term Loans & Advances	(232.85)	–
(Increase)/Decrease in Other Current Assets	(5.12)	–
Increase/(Decrease) in Trade Payables	83.88	–
Increase/(Decrease) in Other Current Liabilities	187.22	–
Increase/(Decrease) in Short Term Provision	24.05	–
<b>Cash generated from operations</b>	<b>(176.09)</b>	–
Income tax paid during the year	(24.05)	–
<b>Net Cash from Operating Activities (A)</b>	<b>(200.14)</b>	–
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(15.95)	–
(Increase)/Decrease in Long Term Loans & Advances	–	–
Increase in Other Non-Current Assets	–	–
<b>Net Cash from Investing Activities (B)</b>	<b>(15.95)</b>	–
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Issue of Share Capital	100.50	5.00
Increase/(Decrease) in Long Term Borrowings	5.41	–
Proceeds from Securities Premium	175.26	–
Interest Paid	(0.14)	–
<b>Net Cash From Financing Activities (C)</b>	<b>281.03</b>	<b>5.00</b>
<b>Net Increase in Cash and Cash Equivalents (A+B+C)</b>	<b>64.93</b>	<b>5.00</b>
<b>Cash and Cash Equivalents at the Beginning of the Year</b>	<b>5.00</b>	-
<b>Cash and Cash Equivalents at the End of the Year</b>	<b>69.93</b>	<b>5.00</b>

## ANNEXURE – D

### SUMMARY SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS AS RESTATED

#### A) COMPANY INFORMATION

Our Company was incorporated as a public limited company under the name ‘Sonalis Consumer Products Limited’ under the provision of the Companies Act, 2013 and a certificate of incorporation dated March 15, 2022 issued by the Registrar of Companies, Central Registration Centre, Ministry of Corporate Affairs. The Corporate Identification Number is U15490MH2022PLC378461. Ms. Sonali Nilesh Kocharekar and Ms. Smita Shahshikant Shah are the Promoters of the Company. The Company had acquired the running business of the partnership firm, M/s. Appetite Food through Business Transfer Agreement dated May 15, 2022. It has absorbed the business line & distribution network of Appetite Food. Since, Appetite Food has already been in active business for approximately for three years, it provides an ideal platform for the Company to grow/ expand its business in the region.

#### B) SIGNIFICANT ACCOUNTING POLICIES

##### 1. Accounting Convention

The financial statements are prepared under the historical cost convention on the “Accrual Concept” and Going Concern assumption of accountancy in accordance with the accounting principles generally accepted in India and comply with the accounting standards as prescribed by Companies (Accounting Standard) Rules, 2006 and with the relevant provisions of the Companies Act, 2013 and rules made there under.

##### 2. Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities on the date of the financial statement and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which results are known/materialized.

##### 3. Property, Plant and Equipment

Property, Plant and Equipment are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises of all expenses incurred to bring the assets to its present location and condition. Borrowing cost directly attributable to the acquisition /Construction are included in the cost of fixed assets. Adjustments arising from exchange rate variations attributable to the fixed assets are capitalized.

In case of new projects / expansion of existing projects, expenditure incurred during construction / preoperative period including interest and finance charge on specific / general purpose loans, prior to commencement of commercial production are capitalized. The same are allocated to the respective on completion of construction / erection of the capital project / fixed assets.

Subsequent expenditures related to an item of tangible asset are added to its book value only if they increase the future economic benefits from the existing asset beyond its previously assessed standard of performance.

Capital assets (including expenditure incurred during the construction period) under erection / installation are stated in the Balance Sheet as “Capital Work in Progress”.

##### 4. Impairment of Assets

At each balance sheet date, the Company reviews the carrying amount of its fixed assets to determine whether there is any indication that those assets suffered an impairment loss. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset’s net selling price and value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of the assets and from its disposal are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of time value of money and the risks specific to the assets.

##### 5. Depreciation

All fixed assets, except capital work in progress, are depreciated on WDV Method. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013. Depreciation on additions to / deletions from fixed assets made during the period is provided on pro-rata basis from / up to the date of such addition /deletion as the case may be.

##### 6. Investments

Investments are classified into current investments and non-current investments. Current investments i.e., investments that are readily realizable and intended to be held for not more than a year valued at cost. Any permanent reduction in the carrying amount or any reversals of such reductions are charged or credited to the Statement of Profit & loss Account.

Non-current investments are stated at cost. Provision for diminution in the value of these investments is made only if such decline is other than temporary, in the opinion of the management.

#### **7. Inventories**

Inventories consist of Raw Material & Finished Goods are valued at Cost or Net Realizable Value, whichever is lower.

#### **8. Revenue Recognition**

Revenue from the operations is recognized on generally accepted accounting principles and when it is earned and no significant uncertainty exists as to its ultimate collection and includes taxes, wherever applicable.

The capital gain on sale of investments if any are recognized on completion of transaction. No notional profit/loss are recognized on such investments. Interest income is recognized on time proportion basis, when it is accrued and due for payment.

#### **9. Borrowing Cost**

Borrowing cost that are attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

#### **10. Employee Benefits**

Short – term employee benefits are recognized as an expense at the undiscounted amount in the profit & loss account for the year in which the related service is rendered.

Post-employment and other long-term employee benefits are recognized as an expense in the profit & loss account for the year in which the liabilities are crystallized.

#### **11. Taxes on Income**

Income tax expenses for the year comprises of current tax and deferred tax. Current tax provision is determined on the basis of taxable income computed as per the provisions of the Income Tax Act. Deferred tax is recognized for all timing differences that are capable of reversal in one or more subsequent periods subject to conditions of prudence and by applying tax rates that have been substantively enacted by the balance sheet date.

#### **12. Foreign Currency Translation**

- a) Transaction denominated in foreign currencies are recorded at the exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the year-end are restated at closing rate.
- b) Any exchange difference on account of settlement of foreign currency transaction and restatement of monetary assets and liabilities denominated in foreign currency is recognized in the statement of Profit & loss Account.

#### **13. Provision, Contingent Liabilities and Contingent Assets**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources.

#### **14. NOTES ON ACCOUNTS**

The financial statements, including financial information have been prepared after making such regroupings and adjustments, considered appropriate to comply with the same. As result of these regroupings and adjustments, the amount reported in the financial statements/information may not necessarily be same as those appearing in the respective audited financial statements for the relevant years.

#### **Segment Reporting**

The Company at present is engaged in the nutria-bars, healthy snacks items which constitutes a single business segment. In view of the above, primary and secondary reporting disclosures for business/ geographical segment as envisaged in AS –17 are not applicable to the Company.

#### **Post-Employment Benefits:**

Since the company has not completed 5 years from its incorporation so that provision for gratuity has not been valued.

#### **Provisions, Contingent Liabilities and Contingent Assets (AS 29)**

Contingent liabilities and commitments (to the extent not provided for). There are no contingent liabilities as on December 31, 2022 & March 31, 2022.

#### Related Party Disclosure (AS 18)

Related party transactions are reported as per AS-18 of Companies (Accounting Standards) Rules, 2006, as amended, in Annexure – H of the enclosed financial statements.

#### 15. Trade Payable Ageing Summary

As on December 31, 2022:

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 yr.	1-2 yrs.	2-3 yrs.	More than 3 yrs.	
Trade Payables for goods	76.52	–	–	–	76.52
Others	7.36	–	–	–	7.36
Disputed dues - MSME	–	–	–	–	–
Disputed dues - Others	–	–	–	–	–

As on March 31, 2022:

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 yr.	1-2 yrs.	2-3 yrs.	More than 3 yrs.	
Trade Payables for goods	–	–	–	–	–
Others	–	–	–	–	–
Disputed dues - MSME	–	–	–	–	–
Disputed dues - Others	–	–	–	–	–

#### 16. Trade Receivable Ageing Summary

As on December 31, 2022:

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months- 1 year	1-2 yrs.	2-3 yrs.	More than 3 yrs.	
(i) Undisputed Trade receivables- considered good	27.44	–	–	–	–	27.44
(ii) Undisputed Trade Receivables- Considered Doubtful	–	–	–	–	–	–
(iii) Disputed Trade Receivables considered good	–	–	–	–	–	–
(iv) Disputed Trade Receivables considered doubtful	–	–	–	–	–	–

(₹ in Lakhs)

As on March 31, 2022:

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months- 1 year	1-2 yrs.	2-3 yrs.	More than 3 yrs.	
(i) Undisputed Trade receivables- considered good	–	–	–	–	–	–
(ii) Undisputed Trade Receivables- Considered Doubtful	–	–	–	–	–	–
(iii) Disputed Trade Receivables considered	–	–	–	–	–	–



Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months- 1 year	1-2 yrs.	2-3 yrs.	More than 3 yrs.	
good						
(iv) Disputed Trade Receivables considered doubtful	–	–	–	–	–	–

#### 17. Accounting Ratios

Particulars	December 31, 2022	March 31, 2022
Current Ratio	2.15	–
Debt Equity Ratio	0.02	–
Debt Service coverage Ratio	12.34	–
Return on Equity Ratio	0.20	–
Inventory Turnover Ratio	0.93	–
Trade Receivable Turnover Ratio	15.32	–
Trade Payable Turnover ratio	6.89	
Net Capital Turnover Ratio	1.20	–
Net Profit Ratio	0.16	–
Return on Capital Employed	0.26	–
Return on Investment Ratio	Not Applicable	–

**ANNEXURE- A.1: RESTATED STATEMENT OF SHARE CAPITAL**
*(₹ in Lakhs)*

Particulars	As At December 31, 2022	As At March 31, 2022
<b>Equity Share Capital</b>		
<b>Authorised Share Capital</b>		
20,00,000 Equity Shares of Rs. 10/- Each (Previous Year 1,00,000 Equity Shares of Rs. 10/- Each)	200.00	10.00
<b>Total</b>	<b>200.00</b>	<b>10.00</b>
<b>Issued, Subscribed &amp; Fully Paid-Up Share Capital</b>		
10,55,000 Equity Shares of Rs. 10/- Each (Previous Year 50,000 Equity Shares of Rs. 10/- Each)	105.50	5.00
<b>Total</b>	<b>105.50</b>	<b>5.00</b>

**Notes:**
**A.1.1 Right, Preferences and Restrictions attached to Shares:**

The Company has one class of equity shares having a par value of Rs. 10/- per share. Each Shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company in proportion of their shareholding.

**A.1.2 Restated Statement of Reconciliation of Number of Equity Shares**

Particulars	As At December 31, 2022	As At March 31, 2022
<b>Equity Shares</b>		
Shares outstanding at the beginning of the Period	50,000	–
Shares issued during the Period	10,05,000	50,000
Share outstanding at the end of the Period	<b>10,55,000</b>	<b>50,000</b>

**A.1.3 Details of Shareholding more than 5% of the aggregate shares in the company**

Name of Shareholder	December 31, 2022		March 31, 2022	
	Nos	% of Holding	Nos	% of Holding
Sonali Nilesh Kocharekar	3,84,274	36.42%	23,500	47.00%
Smita Shashikant Shah	3,84,273	36.42%	23,500	47.00%
Imteyaz Mohammad Shafi Shaikh	80,000	7.58%	–	–
Shashikant Chimanlal Shah	–	–	2,750	5.50%

**A.1.4 Shareholding of Promotors**

Name of Shareholder	December 31, 2022		March 31, 2022	
	Nos	% of Holding	Nos	% of Holding
Sonali Nilesh Kocharekar	3,84,274	36.42%	23,500	47.00%
Smita Shashikant Shah	3,84,273	36.42%	23,500	47.00%

**ANNEXURE – A.2: RESTATED STATEMENT OF RESERVES AND SURPLUS**
*(₹ in Lakhs)*

Particulars	As at December 31 2022	As At March 31 2022
<b>Reserves &amp; Surplus</b>		
<b>1. Securities Premium</b>		
Balance as at the beginning of the Period	–	–
Addition during the Period	175.26	–
Less: Issue of Bonus Share	–	–
Balance as at the end of the Period	<b>175.26</b>	–
<b>Balance in Statement of Profit &amp; Loss</b>		
Balance as at the beginning of the Period	–	–
Add: Profit for the Period	68.45	–
Less: Bonus Shares Issued during the Period	–	–
Balance as at the end of the Period	<b>68.45</b>	–
<b>Grand Total</b>	<b>243.71</b>	–

**ANNEXURE – A.3: STATEMENT OF PRINCIPAL TERMS OF UNSECURED & SECURED LOANS**
Unsecured Loans – NA
Secured Loans
*(₹ in Lakhs)*

Name of Lender	Purpose	Repayment Schedule	Moratorium	Outstanding amount as on (as per Books) December 31, 2022
Cholamandalam Investment and Finance Company Limited	Purchase of Vehicle	Repayable in 60 EMIs starting from August 2022	NIL	5.41
<b>Total</b>				<b>5.41</b>

*(₹ in Lakhs)*

Name of Lender	Purpose	Repayment Schedule	Moratorium	Outstanding amount as on (as per Books) March 31, 2022
NA	NA	NA	NA	–

**ANNEXURE – A.4: RESTATED STATEMENT OF TRADE PAYABLES**
*(₹ in Lakhs)*

Particulars	As At December 31 2022	As At March 31 2022
Trade Payables due to		
- Goods	76.52	–
- Others	7.36	–
<b>Total</b>	<b>83.88</b>	–

**ANNEXURE – A.5: RESTATED STATEMENT OF OTHER CURRENT LIABILITIES**
*(₹ in Lakhs)*

Particulars	As At December 31 2022	As At March 31 2022
TDS Payable	0.14	–
Professional Tax	0.08	–
Advances from Distributors / Retailers	187.01	–
<b>Total</b>	<b>187.23</b>	–

**ANNEXURE – A.6: RESTATED STATEMENT OF SHORT-TERM PROVISIONS**
*(₹ in Lakhs)*

Particulars	As At December 31 2022	As At March 31 2022
Provision for Income Tax (Net)	24.05	–

**ANNEXURE – A.7: RESTATED STATEMENT OF PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS**
*(₹ in Lakhs)*
*As at December 31, 2022*

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	Balance as at April 01, 2022	Additions	Deletions /Sale	Balance as at December 31, 2022	Balance as at April 01, 2022	Depreciation charge for the period	Deletion - Sale/Loss	Balance as at December 31, 2022	Balance as at April 01, 2022	Balance as at December 31, 2022
<b>A. Property Plant &amp; Equipment</b>										
Cellular Phones	–	0.47	–	0.47	–	0.03	–	0.03	–	0.43
Computer, Printer & Software	–	0.15	–	0.15	–	0.03	–	0.03	–	0.13
Electric Equipment	–	0.44	–	0.44	–	0.02	–	0.02	–	0.42
Furniture and Fixtures	–	0.17	–	0.17	–	0.01	–	0.01	–	0.16
Machinery	–	14.72	–	14.72	–	0.18	–	0.18	–	14.54
<b>Grand Total</b>	–	<b>15.95</b>	–	<b>15.95</b>	–	<b>0.27</b>	–	<b>0.27</b>	–	<b>15.68</b>

*As at March 31, 2022*

The Company was incorporated on March 15, 2022 and Bank Account was opened in the first week of April 2022. Therefore, there are no Fixed Assets as on March 31, 2022.

**ANNEXURE – A.8: RESTATED STATEMENT OF INVENTORIES**
*(₹ in Lakhs)*

Particulars	As At December 31 2022	As At March 31 2022
Closing Stock of Finished Goods	298.74	–
<b>Grand Total</b>	<b>298.74</b>	<b>–</b>

**ANNEXURE – A.9: RESTATED STATEMENT OF TRADE RECEIVABLES**
*(₹ in Lakhs)*

Particulars	As At December 31 2022	As At March 31 2022
<i>Outstanding for a period exceeding six months (Unsecured and considered Good)</i>	–	–
From Directors/Promoter/Promoter Group/Associates/ Relatives of Directors/ Group Companies.	–	–
Others	–	–
<i>Outstanding for a period not exceeding 6 months (Unsecured and considered Good)</i>	27.44	–
From Directors/Promoter/Promoter Group/Associates/ Relatives of Directors/ Group Companies.	–	–
<b>Grand Total</b>	<b>27.44</b>	<b>–</b>

**ANNEXURE – A.10: RESTATED STATEMENT OF CASH AND BANK BALANCES**
*(₹ in Lakhs)*

Particulars	As At December 31 2022	As At March 31 2022
<b>Cash &amp; Cash Equivalents</b>		
Cash in hand	69.39	–
<b>Balances with Banks:</b>		
In Current Accounts	0.54	–
Cheques in Hand	–	5.00
<b>Grand Total</b>	<b>69.93</b>	<b>5.00</b>

**ANNEXURE – A.11: RESTATED STATEMENT OF SHORT-TERM LOANS & ADVANCES**
*(₹ in Lakhs)*

Particulars	As At December 31 2022	As At March 31 2022
Advance to Suppliers	232.85	–
<b>Grand Total</b>	<b>232.85</b>	–

**ANNEXURE – A.12: RESTATED STATEMENT OF OTHER CURRENT ASSETS**
*(₹ in Lakhs)*

Particulars	As At December 31 2022	As At March 31 2022
Duties & Taxes (GST)	2.26	–
Deposits (Assets)	2.85	–
<b>Grand Total</b>	<b>5.12</b>	–

**ANNEXURE – B.1: RESTATED STATEMENT OF REVENUE FROM OPERATIONS**
*(₹ in Lakhs)*

Particulars	As At December 31 2022	As At March 31 2022
<b>Turnover from Sales of Products</b>		
Sale of Products	420.47	–
Kasar and Vatav	0.01	–
<b>Revenue from operations</b>	<b>420.47</b>	–

**ANNEXURE – B.2: RESTATED STATEMENT OF COST OF MATERIAL CONSUMED**
*(₹ in Lakhs)*

Particulars	As At December 31 2022	As At March 31 2022
Opening Stock of Raw Material	–	–
Add: Purchase of Stock in Trade	578.01	–
Less: Closing Stock of Raw Material	–	–
<b>Grand Total</b>	<b>578.01</b>	–

**ANNEXURE – B.3: RESTATED STATEMENT OF CHANGE IN INVENTORY OF WIP, FINISHED GOODS & STOCK IN TRADE**
*(₹ in Lakhs)*

Particulars	As At December 31 2022	As At March 31 2022
Opening Stock of WIP, Finished Goods & Stock in Trade	–	–
Closing Stock of WIP, Finished Goods & Stock in Trade	298.74	–
<b>Net Change in Inventory of WIP, Finished goods &amp; Stockin Trade</b>	<b>(298.74)</b>	–

**ANNEXURE – B.4: RESTATED STATEMENT OF EMPLOYEE BENEFIT EXPENSES**
*(₹ in Lakhs)*

Particulars	As At December 31 2022	As At March 31 2022
Salary & Wages	6.96	–
<b>Grand Total</b>	<b>6.96</b>	–

**ANNEXURE – B.5: RESTATED FINANCE COST***(₹ in Lakhs)*

Particulars	As At December 31 2022	As At March 31 2022
Bank Charges	0.14	–
<b>Grand Total</b>	<b>0.14</b>	–

**ANNEXURE – B.6: RESTATED STATEMENT OF DEPRECIATION***(₹ in Lakhs)*

Particulars	As At December 31 2022	As At March 31 2022
Depreciation Expenses	0.27	–
<b>Grand Total</b>	<b>0.27</b>	–

**ANNEXURE – B.7: RESTATED STATEMENT OF OTHER EXPENSES***(₹ in Lakhs)*

Particulars	As At December 31 2022	As At March 31 2022
Audit Fees	2.00	–
Advertisement Expenses	0.19	–
APMC Charges	0.00	–
Car & Scooter Expenses	1.61	–
Commission & Brokerage Expenses	6.73	–
Computer Expenses	0.03	–
Consultancy Charges	0.11	–
Conveyance Expenses	0.52	–
Courier Charges	0.00	–
Customer Welfare Expenses	0.73	–
Delivery Charges	0.98	–
Domain Charges	0.06	–
Electric Expenses	2.99	–
Exhibition Charges	0.02	–
Factory Establishment Expenses	2.91	–
Firm & Fees Expenses	0.00	–
Food Testing	0.02	–
Form & Fees	0.00	–
FSSAI Charges	0.08	–
Hamali Charges	0.02	–
Installation Charges	0.03	–
Internet Charges	0.14	–
Interest On TDS	0.00	–
Labour Charges	0.59	–
Legal Expenses	2.55	–
Loan Finance Charges	0.09	–
Office Expenses	0.70	–
Packing Charges	2.27	–
Pest Control Expenses	0.05	–
Petrol	0.02	–
Pooja Expenses	0.09	–
Printing & Stationery	0.08	–
Production Expenses	4.88	–
Professional Tax	0.03	–
Professional Tax Late Fees	0.00	–
Registration Fees	0.05	–
Rent	6.93	–
Repair & Maintenance Expenses	0.75	–
Round Off	0.00	–
Shipping Charges	0.03	–
Sign Board Expenses	0.03	–

Particulars	As At December 31 2022	As At March 31 2022
Software Developing Charges	0.09	–
Staff Foods Expenses	0.67	–
Staff Medical Expenses	0.01	–
Staff Welfare Expenses	0.39	–
Sundry Expenses	0.02	–
Telephone Expenses	0.03	–
Toll tax Expenses	0.39	–
Transport Charges	0.65	–
Travelling Expenses	0.19	–
Valuation Expenses	0.60	–
Discount	–	–
Packing Charges	–	–
<b>Grand Total</b>	<b>41.34</b>	–

#### ANNEXURE - E: MATERIAL ADJUSTMENT TO THE RESTATED FINANCIAL STATEMENT

##### a) Material Regrouping:

Appropriate adjustments have been made in the Restated Financial Statements of Assets and Liabilities, Profit 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 regroupings as per the audited financial statements of the company and the requirements of SEBI Regulations.

##### b) Material Adjustments:

The Summary of results of restatement made in the Audited Financial Statements for the respective period/years and its impact on the profit/ (loss) of the Company is as follows:

(₹ in Lakhs)

Particulars	For the Period Ended December 31, 2022	For the Period Ended March 31, 2022
<b>(A) Net Profits as per audited financial statements (A)</b>	68.45	–
Add/(Less): Adjustments to the Audited Profit -	–	–
<b>Total Adjustments (B)</b>	–	–
<b>Restated Profit/ (Loss) (A+B)</b>	<b>68.45</b>	–

#### Reconciliation Statement between Restated Reserve & Surplus affecting Equity due to Adjustment made in Restated Financial Statements:

(₹ in Lakhs)

Particulars	For the Period ended December 31, 2022	For the Period ended March 31, 2022
<b>Equity Share Capital &amp; Reserves &amp; Surplus as per Audited financial Statement</b>	243.71	5.00
Add/(Less): Adjustments on account of change in Profit/Loss	–	–
Total Adjustments (B)	–	–
<b>Equity Share Capital &amp; Reserves &amp; Surplus as per Restated Financial Statement</b>	<b>243.71</b>	<b>5.00</b>

#### ANNEXURE - F: RESTATED STATEMENT OF TAX SHELTERS

(₹ in Lakhs)

Sr. No.	Particulars	As at December 31 2022	As at March 31 2022
<b>A</b>	<b>Restated Profit before tax</b>	92.50	–
	Short Term Capital Gain at special rate	–	–
	Normal Corporate Tax Rates (%)	25.00%	–
	Short Term Capital Gain at special rate	–	–
	MAT Tax Rates (%)	15.60%	–

Sr. No.	Particulars	As at December 31 2022	As at March 31 2022
<b>B</b>	<b>Tax thereon (including surcharge and education cess)</b>	–	–
	Tax on normal profits	24.05	–
	Short Term Capital Gain at special rate	–	–
	<b>Total</b>	<b>24.05</b>	–
	<b>Adjustments:</b>	–	–
<b>C</b>	<b>Permanent Differences</b>	–	–
	Deduction allowed under Income Tax Act	–	–
	Exempt Income	–	–
	Allowance of Expenses under the Income Tax Act Section 35	–	–
	Disallowance of Income under the Income Tax Act	–	–
	Disallowance of Expenses under the Income Tax Act	–	–
	<b>Total Permanent Differences</b>	–	–
<b>D</b>	<b>Timing Differences</b>	–	–
	Difference between Depreciation as per Income tax, 1961 and Companies Act 2013	–	–
	<b>Total Timing Differences</b>	–	–
<b>E</b>	<b>Net Adjustments E= (C+D)</b>	–	–
<b>F</b>	<b>Tax expense/(saving) thereon</b>	–	–
<b>G</b>	<b>Total Income/(loss) (A+E)</b>	92.50	–
	Taxable Income/ (Loss) as per MAT	NA	–
<b>I</b>	<b>Income Tax as per normal provision</b>	24.05	–
<b>J</b>	<b>Income Tax under Minimum Alternative Tax under Section 115 JB of the Income Tax Act</b>	NA	–
	<b>Net Tax Expenses (Higher of I, J)</b>	<b>24.05</b>	–
<b>K</b>	Relief u/s 90/91	–	–
	<b>Total Current Tax Expenses</b>	<b>24.05</b>	–
<b>L</b>	Adjustment for Interest on income tax/ others	–	–
	<b>Total Current Tax Expenses</b>	<b>24.05</b>	–

#### ANNEXURE – G: RESTATED STATEMENT OF CAPITALISATION

(₹ in Lakhs)

Sr. No	Particulars	Pre issue	Post issue
	<b>Debts</b>		
A	Long Term Debt*	5.41	[•]
B	Short Term Debt	–	[•]
C	<b>Total Debt</b>	<b>5.41</b>	[•]
	<b>Equity Shareholders Funds</b>		
	Equity Share Capital	105.50	[•]
	Reserves and Surplus	243.71	[•]
D	<b>Total Equity</b>	<b>349.21</b>	[•]
	Long Term Debt/ Equity Ratio (A/D)	0.02	[•]
	Total Debt/ Equity Ratio (C/D)	0.02	[•]
Notes:			
	* The amounts are considered as outstanding as on December 31, 2022		
	** The Post Issue figures is not available as the Issue Price is yet to be finalized.		



**ANNEXURE - H: RESTATED STANDALONE STATEMENT OF ACCOUNTING RATIOS**

(₹ in Lakhs)

Particulars	As at December 31 2022	As at March 31 2022
Profit After Tax	68.45	–
<b>EBITDA</b>	92.91	–
Actual No. of Equity Shares outstanding at the end of the period	10,55,000	50,000
Weighted Average Number of Equity Shares at the end of the Period (Note -2)	6,79,345	50,000
<b>Net Worth</b>	<b>349.21</b>	<b>5.00</b>
Current Assets	634.09	5.00
Current Liabilities	295.16	–
<b>Earnings Per Share</b>		
Basic EPS	10.08	–
Diluted EPS	10.08	–
<b>Return on Net Worth (%)</b>	19.60%	–
<b>Net Asset Value Per Share</b>	33.10	10.00
<b>Current Ratio</b>	2.15	–
<b>EBITDA</b>	92.91	–
Nominal Value per Equity share (Rs.)	10.00	10.00
* The Company does not have any diluted potential Equity Shares. Consequently, the basic and diluted profit/earning per share of the company remain the same.		
<b>Notes:</b>		
1) The ratios have been calculated as below: a) Basic Earnings Per Share (Rs.) = Restated PAT attributable to Equity Shareholders/ Weighted Average Number of Equity Shares outstanding during the year. b) Diluted Earnings Per Share (Rs.) = Restated PAT attributable to Equity Shareholders/ Weighted Average Number of Diluted Potential Equity Shares outstanding during the year. c) Return on Net Worth (%) = Restated PAT attributable to Equity Shareholders/ Net Worth X 100 d) Restated Net Asset Value per equity share (Rs.) = Restated Net Worth as at the end of the year/ Total Number of Equity Shares outstanding during the 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.		
3) Earnings Per Share calculation are in accordance with Accounting Standard 20- Earnings Per Share, notified under the Companies (Accounting Standards) Rules 2006, as amended.		
4) Net Worth = Equity Share Capital + Reserve and Surplus (including surplus in the Statement of Profit & Loss)		
5) The figures disclosed above are based on the Restated Financial Statements of the Company.		

**ANNEXURE – I: RESTATED STANDALONE STATEMENT OF RELATED PARTY DISCLOSURES**

As required under “Accounting Standard 18 "Related Party Disclosures" as notified pursuant to Company (Accounting Standard) Rules 2006, following are details of transactions during the year with related parties of the company as defined in AS 18.

List of Related Parties and Nature of Relationship:

Particulars	Name of Related Parties
<b>1. Other Related Parties:</b>	
a) Key Management Personnel's	Sonali Nilesh Kocharekar
	Smita Shashikant Shah
	Prakash Premkumar Jhangiani
	Shivang Shah
b) Relative of Key Managerial Personnel	<b>Sonali Nilesh Kocharekar:</b> Late Nilesh Kocharekar (Spouse) Gajanan Chavan (Father) Minal Chavan (Mother) Pankaj Chavan (Brother) Ruddraansh Kocharekar (Son) Late Chandrakant Kocharekar (Spouse's Father)

	Rohini Kocharekar (Spouse's Mother) Late Bhalchandra Kocharekar (Spouse's Brother)
	<b>Smita Shashikant Shah:</b> Shashikant Shah (Spouse) Late Rajababu Kapadia (Father) Pushpa Kapadia (Mother) Sushil Kapadia (Brother) Shivang Shah (Son) Smruti Kadakia (Daughter) Late Chimanlal Shah (Spouse's Father) Late Savita Shah (Spouse's Mother) Padma Sheth (Spouse's Sister) Late Kokila Mehta (Spouse's Sister)
	<b>Shivang Shah:</b> Shashikant Shah (Father) Smita Shah (Smita Shah) Smruti Kadakia (Sister)

Particulars	Nature of Transaction	For the period ended on December 31, 2022	For the year ended on March 31, 2022
<b>A. Key Managerial Person</b>			
Sonali Nilesh Kocharekar	Directors Remuneration	NA <sup>#</sup>	–
Smita Shashikant Shah	Directors Remuneration	NA <sup>#</sup>	–
Prakash Premkumar Jhangiani	Directors Remuneration	NA <sup>#</sup>	–
<b>A. Key Managerial Person</b>			
Sonali Nilesh Kocharekar	Loan from Director	–	–
Smita Shashikant Shah	Loan from Director	–	–
Prakash Premkumar Jhangiani	Loan from Director	–	–
<b>B. Transactions with entities wherein Key Managerial Personnel have significant influence:</b>	NA	–	–

*# Ms. Sonali Kocharekar, Ms. Smita Shah and Mr. Prakash Jhangiani has suggested to forgo the remuneration to be paid to them from April 1, 2022 to June 30, 2023 considering the growing stage of the Company. The same has been considered by the Board and approved in the Board Meeting dated January 25, 2023.*

## CAPITALISATION STATEMENT

The following table sets forth our capitalization and total debt as of December 31, 2022 (based on our Restated Financial Statements) and as adjusted to give effect to the Issue. This table should be read in conjunction with the section titled 'Restated Financial Statements', 'Risk Factors', 'Management's Discussion and Analysis of Financial Position and Results of Operations' and 'Other Financial Information' beginning on page 128, 23, 148 and 148, respectively, of this Draft Prospectus.

(₹ in Lakhs)

Sr. No	Particulars	Pre issue	Post issue
	<b>Debts</b>		
A	Long Term Debt*	5.41	[•]
B	Short Term Debt	–	[•]
C	<b>Total Debt</b>	<b>5.41</b>	[•]
	<b>Equity Shareholders Funds</b>		[•]
	Equity Share Capital	105.50	[•]
	Reserves and Surplus	243.71	[•]
D	<b>Total Equity</b>	<b>349.21</b>	[•]
	Long Term Debt/ Equity Ratio (A/D)	0.02	[•]
	Total Debt/ Equity Ratio (C/D)	0.02	[•]
Notes:			
* The amounts are considered as outstanding as on December 31, 2022			
** The Post Issue figures is not available as the Issue Price is yet to be finalized.			

## OTHER FINANCIAL INFORMATION

The accounting ratios derived from our Restated Financial Information are given below:

(₹ in Lakhs)

Particulars	As at December 31 2022	As at March 31 2022
Restated PAT as per P& L Account (Rs. in Lakhs)	68.45	–
<b>EBITDA</b>	92.77	–
Actual No. of Equity Shares outstanding at the end of the period	10,55,000	50,000
Weighted Average Number of Equity Shares at the end of the Period (Note -2)	6,79,345	50,000
Net Worth	349.21	5.00
Current Assets	634.09	5.00
Current Liabilities	295.16	–
<b>Earnings Per Share</b>		
Basic EPS	10.08	–
Diluted EPS*	10.08	–
<b>Return on Net Worth (%)</b>	19.60%	–
<b>Net Asset Value Per Share</b>	33.10	10.00
<b>Current Ratio</b>	2.15	–
<b>EBITDA</b>	92.77	–
Nominal Value per Equity share (Rs.)	10	10
* The Company does not have any diluted potential Equity Shares. Consequently, the basic and diluted profit/earning per share of the company remain the same.		
<b>Notes:</b>		
1) The ratios have been calculated as below:		
a) Basic Earnings Per Share (Rs.) = Restated PAT attributable to Equity Shareholders/ Weighted Average Number of Equity Shares outstanding during the year.		
b) Diluted Earnings Per Share (Rs.) = Restated PAT attributable to Equity Shareholders/ Weighted Average Number of Diluted Potential Equity Shares outstanding during the year.		
c) Return on Net Worth (%) = Restated PAT attributable to Equity Shareholders/ Net Worth X 100		
d) Restated Net Asset Value per equity share (Rs.) = Restated Net Worth as at the end of the year/ Total Number of Equity Shares outstanding during the 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.		
3) Earnings Per Share calculation are in accordance with Accounting Standard 20- Earnings Per Share, notified under the Companies (Accounting Standards) Rules 2006, as amended.		
4) Net Worth = Equity Share Capital + Reserve and Surplus (including surplus in the Statement of Profit & Loss)		
5) The figures disclosed above are based on the Restated Financial Statements of the Company.		

## MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATIONS

*You should read the following discussion of our financial condition and results of operations together with our restated financial statements included in the Draft Prospectus. You should also read the section entitled “Risk Factors” beginning on page 23 and “Forward Looking Statements” beginning on page 17, which discusses a number of factors, risks and contingencies that could affect our financial condition and results of operations.*

*The following discussion of our financial condition and results of operations should be read in conjunction with our restated financial statements for the Period ended December 31, 2022 and year ended March 31, 2022 including the schedules and notes thereto and the reports thereto, which appear in the section titled “Financial Information of our Company” on Page No. 128 of the Draft Prospectus. The financial statements presented and discussed herein have been prepared to comply in all material respects with the notified accounting standards by Companies (Accounting Standards) Rules, 2006 (as amended), the relevant provisions of the Companies Act and SEBI (Issue of Capital and Disclosure Requirements) Regulations. Our fiscal year ends on March 31 of each year. Accordingly, all references to a particular fiscal year/financial year are to the twelve-month period ended on March 31 of that year. The forward-looking statements contained in this discussion and analysis is subject to a variety of factors that could cause actual results to differ materially from those contemplated by such statements.*

### Overview

Our Company is engaged in the manufacturing of nutria-bars and other healthy snacks Items. Our diversified product portfolio enables us to cater to a wide range of taste preferences and consumer segments, including children, youth and adults. Our products in the Nutri-Bars and Laddu (Indian Snacks), are primarily targeted at the youth and Adults while our other products are for all consumer segments.

Our Company was incorporated as ‘Sonalis Consumer Products Limited’ pursuant to a certificate of incorporation dated March 15, 2022 issued by the Registrar of Companies, Central Registration Centre, Ministry of Corporate Affairs, as a public limited company under the Companies Act, 2013 having Corporate Identity Number U15490MH2022PLC378461. Our Company acquired the running business of partnership firm M/s Appetite Foods, which was taken over by our Company vide Business Transfer Agreement dated May 15, 2022.

Our history and lineage traces back to Mrs. Sonali Nilesh Kocharekar and Mrs. Smita Shashikant Shah, both avid health aware foodies, who savoured nutritious snacks in the compact form of Nutri -Bars and healthy Indian trail mixes. They created a line of nutritious bars and snacks that are made out of various Nuts, Seeds, Flours, Healthy oil and various spices under the brand name of “Appetite Food”.

Our diversified product portfolio enables us to cater to a wide range of taste preferences and consumer segments, including children, youth and adults. Our products in the Nutri-Bars and Laddu (Indian Snacks), are primarily targeted at the youth and Adults while our other products are for all consumer segments. Our diversified product portfolio is therefore, relatively less susceptible to shifts in consumer preferences, market trends and risks of operating in a particular product segment.

We manufacture our nutraceutical range of products under the private labelling arrangement and contract manufacturing arrangements with our customers.

We are producing quality snacks with the following objectives:

- Supply of quality snacks at an affordable price;
- Providing healthy and nutrition snacks with wide range of option; and
- Combining the rich Indian food culture with advance method of making of snacks in more healthy way.

We are one of the snack production and processing company in Mumbai. We have also established marketing network with wholesalers and retailers spread over in Maharashtra, Gujarat, and Goa. All the Products are manufactured under highly supervised environment.

Our diversified product portfolio includes five categories:

- *Granola Bar*: These products are made out of 100% fruits and nuts cooked in honey in bar form. Our products under this category include C-Bars, IMU-Bars, O-Bars, Pro-Bars and Ragi Bars. We sell these products under our brand “Appetite Food”.
- *Laddu*: A product made out of grains, pulses, nuts, dry fruits and healthy oils in to spherical form. Our products under this category include Methi Laddu, Multigrain Laddu, Mung Laddu, Oats Laddu, Ragi Laddu and Spirulina Laddu. These laddus are made from various whole-grain flours, Ghee, Jaggery, Dry fruits, Nuts etc. without adding any preservatives or flavors and colors.

- **Chakli:** Chakli is a deep-fried snack made from rice flour, gram flour, wheat flour or a mixture of lentil flours. In this category we sell Chakli under our brand “Appetite Food”.
- **Chivda:** Under this category our product Chivda is a delicious savory snack made with flattened rice (rice flakes/poha), peanuts, daliya dal, cashew nuts, raisins and spices. It is a healthy alternative to high cholesterol and sugar concentrated products.
- **Sev:** We manufacture Sev is a noodle type crispy snack made from gram flour.

We seek to differentiate ourselves from our competitors through introduction of new products, including launching innovative flavours targeted at addressing diversified consumer tastes, market trends and providing superior value and products to consumers. Our diversified product portfolio enables us to cater to a wide range of taste preferences and consumer segments, including adults, young and children. Our products in the granola Bars, Diet Bhel and Healthy Pop-ups are primarily targeted at the youth while our other products are for all consumer segments. Our diversified product portfolio is therefore, relatively less susceptible to shifts in consumer preferences, market trends and risks of operating in a particular product segment. For further information, see “Our Business” on page 83.

Over the years, we have developed a large pan-India distribution network in the general trade and through our distributors, we also supply in the modern trade segment. During the period ended December 31, 2022, we distributed our products across 3 states i.e. Maharashtra, Gujarat, and Goa through our network of distributors. Our network has enabled us to effectively cost efficiently penetrate the market.

Our Promoters Ms. Sonali Nilesh Kocharekar and Ms. Smita Shashikant Shah who has been instrumental in the growth of our business and actively advise us on finance, corporate strategy and planning. We have a strong management team with significant industry experience. Our Chairman and Managing Director, Ms. Sonali Nilesh Kocharekar has more than 12 years of experience being a dietician/nutritionist. The vast experience of the Promoters has been instrumental in determining the vision and growth strategies for our Company. We further believe that our market position has been achieved by adherence to the vision of our Promoter and senior management team and their experience in the industry in which our Company operates.

Our Company operates from its registered office situated at Unit No. 16, Ground Level, Loft & Basement Sethia Industrial Estate, Tungareshwar Phata, Vasai East, Palghar, Thane, Maharashtra- 410208, India, along with the factories at Unit No. 17, Ground Level, Loft & Basement Sethia Industrial Estate, Tungareshwar Phata Vasai East Palghar Thane, Maharashtra- 410208, India and–Survey No. 83, Village - Khairpada (Kaner), Virar Phata, Virar East, Maharashtra – 401303, India.

Our management team is backed by a technical team that has experience in the business of our Company and also has the required technical know-how to manufacture and sell the products of our Company.

#### Material Development 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 the last financial statements disclosed in this Draft 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 except disclosed in this Draft Prospectus:

- Increasing people cost in the industry
- Increasing oil prices and transportation costs

#### Key Financial Information and Key Performance Indicators (KPIs)

(₹ in Lakhs)

Particulars	For the nine-months period ended December 31, 2022	For the Financial Year ended March 31, 2022
Revenue from operations	₹420.47	–
EBITDA	₹92.77	–
EBITDA margin	22.06%	–
Profit After Tax	₹68.45	–
Profit after tax margin	16.28%	–
Gross Profit	₹141.20	–
Gross Profit margin	33.58%	–
Return on Equity	19.60%	–

#### FACTORS AFFECTING OUR RESULTS OF OPERATIONS AND FINANCIAL CONDITION

Our business, results of operations and financial condition are affected by a number of factors, some of which are beyond our control. This section sets out certain key factors that we believe have affected our business, results of operations and financial condition in the past or which we expect will affect our business, results of operations or financial condition in the future. For a detailed discussion of certain factors that may adversely affect our business, results of operations and financial condition, see “*Risk Factors*” beginning on page 23.

- Costs and availability of raw materials;
- Prices of our products;
- Competition from existing and new entrants;
- Changes, if any, in the regulations / regulatory framework / economic policies in India and / or in foreign countries, which affect national & international finance;
- Government spending on Food Sector;
- Significant developments in India’s economic and fiscal policies;
- Failure to adapt to the changing needs of industry and in particular food Sector may adversely affect our business and financial condition;
- Volatility in the Indian and global capital market.

## SIGNIFICANT ACCOUNTING POLICIES

For Significant accounting policies please refer “*Significant Accounting Policies to the Restated Financial Statements*”, under Chapter titled “*Financial Information*” beginning on page 128 of the Prospectus.

## PRINCIPAL COMPONENTS OF INCOME AND EXPENDITURE

### Income

Our Income comprises of revenue from operations. Revenue of operations includes sale of products such as granola bar, laddu, chakli, chivda, and sev. The company’s total income which includes Revenue from operations during the period ended on December 31, 2022 was ₹. 420.47 Lakhs.

### Expenses

Our expenses primarily comprises of cost of material consumed, changes in inventories of finished goods, work-in progress and stock-in-trade, manufacturing, and operating costs, employee benefits expense, finance costs, depreciation and amortisation and other expenses.

Our other expenses, inter alia, comprises of production expenses, packing expenses, commission and brokerage expenses, conveyance expenses, delivery charges, shipping charges, software development charges, rate and taxes, fees and consultation, commission, legal expenses, repairs and maintenance of plant and machinery, advertisement, rent, insurance, travelling expenses, power and fuel, license fees, remuneration to auditors, FSSAI charges, and director sitting fees. The total expenditure aggregating to ₹ 327.97 Lakhs representing of 78% of the total revenue.

### Profit/ (Loss) after tax:

The restated net profit during the period ended on December 31, 2022 was ₹ 68.45 Lakhs representing 16.28% of the total revenue of the Company.

## RESULTS OF OPERATIONS

The following table sets forth certain information with respect to our consolidated results of operations for the periods indicated:

(₹ in Lakhs)					
Sr. No	Particulars	For the period ended December 31, 2022	% of Total Income	For the period ended March 31, 2022	% of Total Income
<b>A.</b>	<b>Revenue:</b>				
	Revenue from Operations	420.47	100.00	–	–
	Other income	0.01	0.00	–	–

Sr. No	Particulars	For the period ended December 31, 2022	% of Total Income	For the period ended March 31, 2022	% of Total Income
	<b>Total revenue</b>	<b>420.47</b>	<b>100.00</b>	–	–
<b>B.</b>	<b>Expenses:</b>				
	Cost of Material Consumed	578.01	137.47	–	–
	Purchase of Stock in Trade	–	–	–	–
	Change in Inventories of Finished Goods, WIP & Stock in Trade	(298.74)	(71.05)	–	–
	Employees Benefit Expenses	6.96	1.65	–	–
	Finance costs	0.14	0.03	–	–
	Depreciation and Amortization	0.27	0.06	–	–
	Other expenses	41.34	9.83	–	–
	<b>Total Expenses</b>	<b>327.97</b>	<b>78</b>	–	–
	<b>Profit before tax</b>	<b>92.50</b>	<b>22.00</b>	–	–
	<b>Tax expense:</b>				
	Current tax	24.05	5.72	–	–
	Deferred Tax	–	–	–	–
	Profit (Loss) for the period from continuing operations	<b>68.45</b>	<b>16.28</b>	–	–

### Review of Restated Financials

Since our Company was incorporated on March 15, 2022. Therefore, there are no financial statements prepared for the FY 2022 and period started from April 01, 2022 to December 31, 2022 no comparison with earlier years is applicable.

### Financial Performance Highlights for the period ended December 31, 2022

#### Income

Our Income comprises of revenue from operations. Revenue of operations includes sale of products such as granola bar, laddu, chakli, chivda, and sev. The company's total income which includes Revenue from operations during the period ended on December 31, 2022 was ₹. 420.47 Lakhs.

#### Expenses

Our expenses primarily comprises of cost of material consumed, changes in inventories of finished goods, work-in progress and stock-in-trade, manufacturing, and operating costs, employee benefits expense, finance costs, depreciation and amortisation and other expenses.

Our other expenses, inter alia, comprises of production expenses, packing expenses, commission and brokerage expenses, conveyance expenses, delivery charges, shipping charges, software development charges, rate and taxes, fees and consultation, commission, legal expenses, repairs and maintenance of plant and machinery, advertisement, rent, insurance, travelling expenses, power and fuel, license fees, remuneration to auditors, FSSAI charges, and director sitting fees.

The total expenditure aggregating to ₹ 327.97 Lakhs representing of 78% of the total revenue.

#### Profit/ (Loss) after tax:

The restated net profit during the period ended on December 31, 2022 was ₹ 68.45 Lakhs representing 16.28% of the total revenue of the Company.

#### Cash Flow:

Particulars	Period ended December 31, 2022	FY 2022
Net cash (used in)/ generated from operating activities	(200.14)	–
Net cash (used in)/ generated from investing activities	(15.95)	–
Net cash (used in)/ generated from financing activities	281.03	–

(₹ in Lakhs)



Particulars	Period ended December 31, 2022	FY 2022
Net increase/ (decrease) in cash and cash equivalents	64.93	5.00
Cash and Cash Equivalents at the beginning of the period	5.00	–
Cash and Cash Equivalents at the end of the period	69.93	5.00

## FINANCIAL INDEBTNESS

As of nine-months period ended December 31, 2022, we had outstanding indebtedness of ₹5.41 Lakhs. The following table sets forth certain information relating to our outstanding indebtedness as of December 31, 2022:

(₹ in Lakhs)

Particulars	As on 31.12.2022	As on 31.03.2022
<b>1. Long Term Borrowings</b>	<b>5.41</b>	–
<b>Secured Borrowings</b>	<b>5.41</b>	–
Vehicle loans	5.41	–
<b>Unsecured Borrowings</b>	–	–
Loans from Directors	–	–
Inter Corporate Deposits	–	–
Others	–	–
<b>2. Short Term Borrowings</b>	–	–
<b>TOTAL BORROWINGS</b>	<b>5.41</b>	–

For further details, see “*Financial Indebtedness*” on page 155.

## OTHER CONTRACTUAL OBLIGATIONS

As of nine-months period ended December 31, 2022, the Company has no contractual obligations.

## CAPITAL EXPENDITURE

As of nine-months period ended December 31, 2022, the Company has no capital expenditure.

## CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

As on the date of this Draft Prospectus there are no contingent liabilities.

## OFF-BALANCE SHEET ARRANGEMENTS

As on the date of this Draft Prospectus there are no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that we believe are material to investors.

## RELATED PARTY TRANSACTIONS

We enter into various transactions with related parties in the ordinary course of business. For further details relating to our related party transactions, see “*Financial Statements – Restated Financial Statements – Disclosure of transactions with Related Parties, as required by Indian Accounting Standard (Ind AS) - 24 Related Party Disclosures*” on page 145.

## QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

### Market Risk

We are exposed to interest rate risk, and other price risk, such as equity price risk. Our risk management approach seeks to minimize the potential material adverse effects from these exposures.

## OTHER QUALITATIVE FACTORS

### Unusual or Infrequent Events or Transactions

To our knowledge there have been no transactions or events which, in our judgment, would be considered unusual or infrequent.

### Significant Dependence on a single or few suppliers or customers

Except as disclosed in this Draft Prospectus, there is no dependence on a single or few customers or suppliers.

*Known Trends or Uncertainties*

Except as disclosed in this Draft Prospectus, there are no known factors that we expect to have a material adverse impact on our revenues or income from operations.

*Significant Economic Changes that Materially Affected or are likely to Affect Income from Operations*

Except as disclosed in this Draft Prospectus, there have been no significant economic changes that materially affected or are likely to affect our Company's income from operations.

*Future relationship between Cost and Revenue*

Except as disclosed in this Draft Prospectus, to our knowledge there are no known factors that may adversely affect our business prospects, results of operations and financial condition.

*Competitive Conditions*

We operate in a competitive environment. See "Our Business", "Industry Overview" and "Risk Factors" on pages 83, 73, and 23, respectively, for further details on competitive conditions that we face in our business.

**SUMMARY OF RESERVATION, QUALIFICATIONS, ADVERSE REMARKS AND EMPHASIS OF MATTERS BY AUDITORS**

Our Statutory Auditors have not provided or highlighted any reservations/ qualifications/ adverse remarks/ emphasis of matters in the audited financial statements for the nine-months period ended December 31, 2022, and the Financial Years ending on March 31, 2022.

## FINANCIAL INDEBTNESS

In terms of the Articles of Association of the Company, the Board is authorized to accept deposits from members either in advance of calls or otherwise, and generally accept deposits, raise loans or borrow or secure the payment of any sum of moneys to be borrowed together with the moneys already borrowed including acceptance of deposits apart from temporary loans obtained from the Banks / Financial Institution in the ordinary course of business, exceeding the aggregate of the paid-up capital of the Company and its free reserves (not being reserves set apart for any specific purpose) or up to such amount subject to members approval from time to time.

Our Company has obtained the necessary consents required under the relevant loan documentation with banks and financial institutions for undertaking activities wherever applicable. As on December 31, 2022 our Company has total outstanding borrowings aggregating to ₹ 5.41 lakhs.

*(₹ in Lakhs)*

Name of the Person / Institution / Company	Type of Loan	Purpose	Nature of Tenure	Rate of Interest	Outstanding as on December 31, 2022
Cholamandalam Investment and Finance Company Limited	Secured Loan	Vehicle Loan	Repayable in 60 equal monthly installments of ₹ 13570 monthly commencing from August 20, 2022	12.12%	5.41
<b>TOTAL BORROWINGS</b>					<b>5.41</b>

## SECTION X – LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

*Except as stated in this section, there are no (i) criminal proceedings; (ii) actions taken by statutory or regulatory authorities; (iii) tax proceedings; (iv) any other pending litigation considered material, in each case, involving our Company, or our Directors and our Promoter; (v) any litigation involving our Company, our Directors or any other person whose outcome could have a material adverse effect on the position of our Company; (vi) inquiries, inspections or investigations initiated or conducted under the Companies Act against our Company in the preceding five (5) years from the date of this Draft Prospectus; (vii) pending proceedings initiated against our Company for economic offences; (viii) material frauds committed by or against our Company in the preceding five (5) years from the date of this Draft Prospectus; (ix) defaults for non-payment of statutory dues; (x) fines imposed or compounding of offences against our Company in the preceding five (5) years from the date of this Draft Prospectus; (xi) matters involving our Company pertaining to violations of securities law; and (xii) outstanding dues to material creditors and small scale undertakings.*

Our Board, in its meeting held on September 12, 2022, determined that outstanding legal proceedings involving our Company, Directors and Promoters and its group companies shall be considered material, if:

**A. Involving our Company and Subsidiaries:**

- (i) Where the aggregate monetary claim made by or against the Company and our Subsidiaries, in any such pending litigation proceeding is in excess of (i) two percent of the consolidated profit after tax of the Company; or (ii) one percent of our consolidated total income of our Company whichever is lower, in the most recently completed Fiscal as per the restated financial information included in the Offer Documents; and
- (ii) where the monetary liability is not quantifiable, or which does not fulfil the threshold specific in (i) above, but the outcome of which could, nonetheless may have a material adverse effect on the position, business, operation, prospect or reputation of the Company have been consider “material”.

**B. involving the Promoters (individually or in aggregate) and Directors, the outcome of which would materially and adversely affect the business, operations, prospects or reputation of the Company have been consider as material.**

Our Board, in its meeting held on September 12, 2022, determined that a creditor of the Company shall be considered to be material if amount due to such creditor exceed 5% of the total consolidated trade payable of the Company as per the most recently completed Fiscal as per the restated financial statements of the Company. The details of outstanding dues to such micro, small and medium enterprises and other creditors shall be uploaded on the website <http://appetitefood.in/> as required under the SEBI ICDR Regulations.

*It is clarified that for the purposes of the above, pre-litigation notices received by our Company, Directors or Promoters shall, unless otherwise decided by the Board, not be considered as litigation until such time that our Company or any of its Directors or Promoters, as the case may be, is impleaded as a defendant in litigation before any judicial forum.*

*Except as mentioned below, Our Company, Promoter and/or Directors, have not been declared as wilful defaulters by the RBI or any governmental authority, have not been debarred from dealing in securities and/or accessing capital markets by SEBI and no disciplinary action has been taken by SEBI or any stock exchange(s) against our Company, our Promoter or our Directors, that may have a material adverse effect on our business or financial position, nor, so far as we are aware, are there any such proceedings pending or threatened. There are no pending proceedings initiated against our Company for economic offences as well.*

*Further, none of the Promoters or Directors is / were Promoters or directors of any entity which has been debarred from accessing the capital markets under any order or directions issued by the Stock Exchange(s), SEBI or any other regulatory authority.*

#### **A. LITIGATION INVOLVING OUR COMPANY**

##### **I. Litigation against our Company:**

- a. Litigation involving Criminal Laws: NIL**
- b. Litigation involving Civil Laws: NIL**
- c. Litigation involving actions by Statutory/ Regulatory Authorities: NIL**

- d. Litigation involving actions by Direct / Indirect tax Authorities: NIL
- e. Other pending litigations: NIL

**II. Litigation by our Company:**

- a. Litigation involving Criminal Laws: NIL
- b. Litigation involving Civil Laws: NIL
- c. Litigation involving actions by Statutory/ Regulatory Authorities: NIL
- d. Litigation involving actions by Direct / Indirect tax Authorities: NIL
- e. Other pending litigations: NIL

**B. LITIGATION INVOLVING OUR DIRECTORS**

**I. Litigation against our Directors:**

- a. Litigation involving Criminal Laws: NIL
- b. Litigation involving Civil Laws: NIL
- c. Litigation involving actions by Statutory/ Regulatory Authorities: NIL
- d. Litigation involving actions by Direct / Indirect tax Authorities:

**Income Tax-Outstanding Demand** – Except the following there are no Direct Tax Liabilities on the Director:

			Amount in ₹
Name of the Director	Year of Demand	No. of Cases	Amount
Prakash Premkumar Jhangiani	2010	1	1,060
	2005	1	2,596
<b>Total</b>		<b>2</b>	<b>3,656</b>

- e. Other pending litigations: NIL

**II. Litigation by our Directors:**

- a. Litigation involving Criminal Laws: NIL
- b. Litigation involving Civil Laws: NIL
- c. Litigation involving actions by Statutory/ Regulatory Authorities: NIL
- d. Litigation involving actions by Direct / Indirect tax Authorities: NIL
- e. Other pending litigations: NIL

**C. LITIGATION INVOLVING OUR PROMOTER**

**I. Litigation against our Promoter:**

- a. Litigation involving Criminal Laws: NIL
- b. Litigation involving Civil Laws: NIL
- c. Litigation involving actions by Statutory/ Regulatory Authorities: NIL

d. Litigation involving actions by Direct / Indirect tax Authorities: NIL

e. Other pending litigations: NIL

**II. Litigation by our Promoter:**

a. Litigation involving Criminal Laws:

b. Litigation involving Civil Laws: NIL

c. Litigation involving actions by Statutory/ Regulatory Authorities: NIL

d. Litigation involving actions by Direct / Indirect tax Authorities: NIL

e. Other pending litigations: NIL

**D. LITIGATION INVOLVING GROUP COMPANIES**

Our Company has no Group Company/ies.

**E. LITIGATION MATTERS RELATED TO OUR SUBSIDIARY COMPANY**

Our Company has no Subsidiary Company/ies.

**F. ACTIONS BY REGULATORY OR STATUTORY AUTHORITIES**

NIL

**G. OTHER MATTERS BASED ON MATERIALITY POLICY OF OUR COMPANY**

NIL

**H. OUTSTANDING DUES TO CREDITORS OF OUR COMPANY**

As on December 31, 2022, our Company owes the following amounts to Micro, Small and Medium enterprises and other creditors:

(Amount in ₹)

Particulars	No. of Creditors	Amount Involved
Micro, Small and Medium Enterprises	–	–
Other creditors (Including material creditors)	11	83,88,153
<b>Total</b>	<b>11</b>	<b>83,88,153</b>

Complete details about outstanding over dues to material creditors along with name and the amount involved for each such material creditor as on December 31, 2022 are available on the website of the Company at <http://appititefood.in/>

The details pertaining to material dues to creditors as per the Restated Financial Statements for the most recent financial year is available on the website of our Company. It is clarified that such details available on our Company's website do not form a part of this Draft Prospectus. Anyone placing reliance on any source of information including our Company's website would be doing so at their own risk

*It is clarified that any other 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, would be doing so at its own risk.*

**I. MATERIAL DEVELOPMENTS SINCE THE LAST BALANCE SHEET DATE**

Except as disclosed in the chapter titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on page 149 of this Draft Prospectus, in the opinion of our Board, there have not arisen, since the date of last financial

information disclosed in this Draft Prospectus, any circumstances that materially or adversely affect or are likely to affect our profitability or the value of our consolidated assets or our ability to pay material liabilities within the next 12 months.

## **J. OTHER MATERIAL INFORMATION**

### **1. Material frauds committed against our Company**

There have been no instances of material frauds committed against our Company since incorporation till the date of this Draft Prospectus.

### **2. Past cases where penalties imposed**

There are no past cases since incorporation till the date of this Draft Prospectus, where penalties were imposed on our Company by concerned authorities.

### **3. Past inquiries, inspections and investigations under the Companies Act**

There have been no inquiries, inspections or investigations initiated or conducted under the Companies Act or any previous company law since incorporation in the case of our Company till the date of this Draft Prospectus.

### **4. Fines imposed or compounding of offences**

There have been no prosecutions filed by our Company and its Subsidiaries (whether pending or not) fines imposed, compounding of offences since incorporation till the date of this Draft Prospectus.

### **5. Proceedings initiated against our Company for economic offences**

There are no pending proceedings initiated against our Company for any economic offences as on the date of this Draft Prospectus.

### **6. Defaults and non-payment of statutory dues**

Our Company has no outstanding defaults in relation to statutory dues, dues payable to holders of any debentures (including interest) or dues in respect of deposits (including interest) or any defaults in repayment of loans from any bank or financial institution (including interest).

### **7. Outstanding litigation involving our Company, Directors or any other person whose outcome could have a material adverse effect on our Company**

Our Company, Directors or any other person does not have any outstanding litigation whose outcome could have a material adverse effect on our Company.

### **8. Disciplinary action taken by SEBI or stock exchanges against our Company**

There are no disciplinary actions taken by SEBI or stock exchanges against our Company or its Directors.

## GOVERNMENT AND OTHER APPROVALS

*Our Company has received the necessary consents, licenses, permissions, registrations and approvals from the Central and State Governments and various other government agencies/ regulatory authorities/ certification bodies required to undertake this issue and to continue our present business activities.*

*In view of the approvals listed below, we can undertake the Issue and our current business activities and no further major approvals from any governmental/ regulatory authority or any other entity are required to be undertaken, in respect of the Issue or to continue our business activities. It must, however, be distinctly understood that in granting the below approvals, the Government of India and other authorities do not take any responsibility for the financial soundness of our Company or for the correctness of any of the statements or any commitments made or opinions expressed in this behalf.*

*Unless otherwise stated, these approvals are all valid as of the date of this Draft Prospectus. For details in connection with the regulatory and legal framework within which we operate, see the section titled 'Key Industry Regulations and Policies' at page 98 of this Draft Prospectus.*

*The main objects clause of the Memorandum of Association of the Company and the objects incidental, enable our Company to carry out its activities.*

### I. APPROVALS FOR THE ISSUE

The following approvals have been obtained or will be obtained in connection with the Issue:

- a. Our Board of Directors have, pursuant to a resolution passed in its meeting held on September 10, 2022 authorized the Issue subject to approval of the shareholders of our Company under Section 62(1)(c) of the Companies Act, 2013;
- b. The shareholders of our Company have, pursuant to a special resolution passed in the extra ordinary general meeting of our Company held on September 15, 2022, authorized the Issue under Section 62(1)(c) of the Companies Act, 2013;
- c. Our Company has obtained in-principle approval from the stock exchange for the listing of our Equity Shares pursuant to letter dated [●] bearing reference no. [●].

### II. CORPORATE APPROVALS

- a. Certificate of Incorporation dated March 15, 2022 issued by the Registrar of Companies, Central Registration Centre in the name of "Sonalis Consumer Products Limited".
- b. Corporate Identity Number (CIN): U15490MH2022PLC378461.

### III. AGREEMENTS WITH NSDL AND CDSL

- a. The Company has entered into an agreement dated September 2, 2022 with the Central Depositories Services (India) Limited ("CDSL") and the Registrar and Transfer Agent, who in this case is Purva Share registry (India) Private Limited for the dematerialization of its shares.
- b. The Company has entered into an agreement dated December 8, 2022 with the National Securities Depository Limited ("NSDL") and the Registrar and Transfer Agent, who in this case is Purva Share registry (India) Private Limited for the dematerialization of its shares.
- c. The Company's International Securities Identification Number ("ISIN") is INE0N5O01013.

### IV. TAX RELATED APPROVALS

Sr. No.	Description	Applicable laws	Authority	Registration Number	Date of Certificate	Date of Expiry
1.	Permanent Account Number (PAN)	Income Tax Act, 1961	Income Tax Department, Government of India	ABICS0557N	March 15, 2022	Valid until cancellation



Sr. No.	Description	Applicable laws	Authority	Registration Number	Date of Certificate	Date of Expiry
2.	Tax Deduction Account Number (TAN)	Income Tax Act, 1961	Income Tax Department	MUMS21311K	March 15, 2022	Valid until cancellation
3.	Goods & Service Tax Registration Certificate	Central Goods and Service Tax Act 2017	Government of India	27ABICS0557N1ZT	May 25, 2022	Valid until cancellation


#### V. OTHER BUSINESS APPROVALS

Our Company requires various other approvals to carry on our business in India. Some of these may expire in the ordinary course of business and applications for renewal of these approvals will be submitted in accordance with applicable procedures and requirements as and when required. An indicative list of material approvals required by us to undertake our business is provided below:

Sr. No.	Description	Applicable laws	Issued By	Registration/Application Number	Date of Certificate	Date of Expiry
1.	Certificate of Incorporation of the Company in the name of "Sonalis Consumer Products Limited"	The Companies Act, 2013	Deputy Registrar of Companies	U15490MH2022P LC378461	March 15, 2022	Valid till Cancel
2.	License under Food Safety and Standard Authority of India (FSSAI)	Food Safety and Standards Act 2006	Designated Officer, FSSAI	11522019000403	August 13, 2022	August 12, 2023
3.	Registration certificate of Establishment	Maharashtra Shops & Establishment Act, 1948	Senior Inspector under Maharashtra Shops & Establishment Act, 1948	22137003167450 90	August 1, 2022	NA
4.	Udyog Aadhaar	Ministry of Micro, Small and Medium Enterprises	Government of India	UDYAM-MH-18-0153492	May 26, 2022	Valid until cancellation

#### VI. INTELLECTUAL PROPERTY

As on date of the Draft Prospectus, the Company has the following Trademark pending application:

Sr No.	Brand Name/Logo Trademark	Class	Application No.	Nature of the Trademark	Application Date	Status	Validity
1.		30	4676393	Device	27/09/2020	Marked for Exam	N/A

#### VII. THE DETAILS OF THE DOMAIN NAME IN THE NAME OF OUR COMPANY:

Domain name	Sponsoring Registrar and IANA ID	Creation Date	Expiry Date
appetitefood.in	Registered With: GoDaddy.com LLC	September 9, 2019	September 9, 2026

#### A. KEY APPROVALS APPLIED FOR BY OUR COMPANY BUT NOT RECEIVED

Company has applied for registration Certificate under the Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975 on March 15, 2022.

## **OTHER REGULATORY AND STATUTORY DISCLOSURES**

### **AUTHORITY FOR THE ISSUE**

The issue has been authorised by the Board of Directors vide a resolution passed at its Meeting held on September 10, 2022 subject to the approval of the shareholders of the Company and such other authorities, as may be necessary.

The shareholders of the Company have, pursuant to a special resolution passed in Extra Ordinary General Meeting held on September 15, 2022 authorised the Issue under Section 62(1)(c) of the Companies Act, 2013, subject to approvals by such other authorities, as may be necessary.

Our Company has also obtained all necessary contractual approvals required for the Issue. For further details, refer to the chapter titled '*Government and Other Approvals*' beginning on page 160 of this Draft Prospectus.

### **In-principle Listing Approval**

We have received in principle approval from BSE Limited vide their letter dated [●] to use the name of BSE Limited in the Draft Prospectus for listing of our Equity Shares on SME Platform of BSE Limited. BSE Limited is the Designated Stock Exchange for the purpose of this Issue.

### **PROHIBITION BY SEBI OR OTHER GOVERNMENTAL AUTHORITIES**

We confirm that our Company, our Directors, our Promoters, Promoter Group, our directors or the persons in control of our Company have not been prohibited from accessing the capital market for any reason or restrained from buying, selling or dealing in securities, under any order or directions by the SEBI or any other regulatory or government authorities.

There are no violations of securities laws committed by any of them in the past or pending against them, nor have any companies with which any of our Company, our Promoter, Directors, persons in control of our Company are or were associated as a promoter, director or person in control, been debarred or prohibited from accessing the capital markets under any order or direction passed by the SEBI or any other authority.

None of our Directors are associated with the securities market and there has been no action taken by the SEBI against the Directors or any other entity with which our directors are associated as promoters or director.

Further none of our Promoters or Directors has been declared as fugitive economic offender under Fugitive Economic Offenders Act, 2018.

The listing of any securities of our Company has never been refused by any of the stock exchanges in India.

### **PROHIBITION BY RBI**

Neither our Company, nor our Promoters or Directors have been identified as a wilful defaulter as defined under Regulation 2(1)(III) of the SEBI ICDR Regulations.

None of our Company, Promoters or Directors have been declared as a fraudulent borrower by any bank, financial institution or lending consortium, in accordance with the 'Master Directions on Fraud-Classification and Reporting by commercial banks and select FIs' dated July 1, 2016, as updated, issued by the RBI.

### **Compliance with the Companies (Significant Beneficial Ownership) Rules, 2018**

Our Company is in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018 ("SBO Rules"), to the extent applicable, as on the date of this Draft Prospectus. Further, in view of the General Circular No. 07/2018 dated September 06, 2018 and General Circular No. 08/2018 dated September 10, 2018 issued by the Ministry of Corporate Affairs, Government of India ("MCA"), our Company, our Promoters and our Promoter Group will ensure compliance with the SBO Rules, upon notification of the relevant forms, as may be applicable to them.

## Association with Securities Market

We confirm that none of our directors are associated with the Securities Market in any manner and no action has been initiated against these entities by SEBI at any time except as stated under the chapters titled “Risk factors”, “Our Promoters, Promoter Group”, “Our Group Company” and “Outstanding Litigations and Material Developments” beginning on page 23, 121, 126 and 156 respectively, of this Draft Prospectus.

## ELIGIBILITY FOR THIS ISSUE

Our Company is an “Unlisted Company” in terms of the SEBI (ICDR) Regulation; and this Issue is an “Initial Public Offer” in terms of the SEBI (ICDR) Regulations.

Our Company is eligible in terms of Regulations 230 of SEBI ICDR Regulations for this Issue.

This Issue is being made in terms of Regulation 229 (1) of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time, whereby, our Company whose post Issue face value capital does not exceed ten crores rupees, shall Issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (“SME Exchange”), in this case being the SME Platform of BSE Limited i.e. BSE SME.

As per Regulation 229 (3) of the SEBI ICDR Regulations, our Company satisfies track record and/or other eligibility conditions of SME platform of the BSE in accordance with the Restated Financial Statements, prepared in accordance with the Companies Act and restated in accordance with the SEBI ICDR Regulations as below:

**(a) The Issuer should be a company incorporated under the Companies Act 1956/2013.**

Our Company was incorporated as ‘Sonalis Consumer Products Limited’ pursuant to a Certificate of Incorporation dated March 15, 2022 issued by the Registrar of Companies, Central Registration Centre, Ministry of Corporate of Affairs, as a public limited company under the provisions of the Companies Act, 2013.

**(b) The post issue paid up capital of the company (face value) shall not be more than ₹25.00 Crores.**

The present paid-up capital of our Company is ₹ 105.50 Lakhs and we are proposing an issue of upto 9,44,000 Equity Shares of ₹ 10/- each aggregating to ₹ 94.40 Lakhs. Hence, our Post Issue Paid up Capital will be approximately ₹ 199.90 Lakhs which less than ₹ 2,500.0 Lakhs.

**(c) The Partnership Firm i.e. Appetite Food, which has been taken over by our Company have combined track record of 3 years.**

**(d) The Partnership Firm i.e. Appetite Food, which has been taken over by our Company have combined track record of 3 years and positive cash accruals (earnings before depreciation and tax) in two out of last three years, along with our Company as mentioned below:**

(₹ in Lakhs)

Particulars	From April 1, 2022 to May 14, 2022	March 31, 2022	March 31, 2021	March 31, 2020
Revenue from operations	33.65	93.13	5.60	0.23
Profit after tax	0.54	0.82	0.40	0.01
Cash Accruals	0.54	1.02	0.53	0.01

Source: Extracts from the Income Tax Returns of M/s Appetite Foods for the respective year except for the period from April 1, 2022 to May 14, 2022.

**(e) The Net-worth of our Company is Positive as per Restated Standalone Financial Statements.**

**(f) Our Company’s net worth and cash accruals from operations (earnings before depreciation and tax), based on the Restated Standalone Financial Statements included in this Draft Prospectus for the stub period ended on December 31, 2022 and as at Fiscals ended March 31, 2022 are set forth below:**

Particulars	As at December 31, 2022	As at March 31, 2022
<b>(i) Net Worth</b>		
Share Capital (A)	105.50	5.00
Reserves & Surplus (B)	243.71	–
<b>Net Worth (A+B)</b>	<b>349.21</b>	<b>5.00</b>
<b>(ii) Net Tangible Asset</b>		
Total Assets (A)	649.77	5.00
Less: Intangible Assets included in the balance sheet (B)	–	–
Less: Total Outside Liabilities (C)	300.56	–
<b>Total Net Tangible Assets (A-B-C)</b>	<b>349.21</b>	<b>5.00</b>
<b>(iii) Cash Accruals</b>		
Profit Before Tax (A)	68.45	–
Add: Depreciation and Amortization (B)	0.27	–
<b>Total Cash Accruals (A+B)</b>	<b>68.72</b>	–

(i) Net Worth has been computed as the aggregate of equity shares capital and reserves (excluding revaluation reserves) and after deducting miscellaneous expenditure not written off, if any.

(ii) Net Tangible Assets is total tangible assets less outside liabilities.

(iii) Cash accruals has been defined as the Earnings before depreciation and tax from operations.

(g) Our Company has a website – www.appetitefood.in.

(h) Our Company had signed the tripartite agreements with both the Depositories and the Registrar and Share Transfer Agent.

(i) There is no change in the Promoters of the Company in preceding one year from date of filing the application to BSE for listing under SME segment.

(j) The Company has not been referred to Board for Industrial and Financial Reconstruction.

(k) No petition for winding up is admitted by the court or a liquidator has not been appointed of competent jurisdiction against the Company.

#### Other Disclosures:

- No material regulatory or disciplinary action by a stock exchange or regulatory authority in the past three years against the Company except as disclosed under the chapter titled “*Outstanding Litigation and Material Developments*” on page 156 of this Draft Prospectus.
- There are no Defaults in respect of payment of interest and/or principal to the debenture/bond/fixed deposit holders, banks, FIs by the applicant, promoters/promoting Company(ies), Company(ies), companies promoted by the promoters/promoting Company(ies) during the past three years. Except as mentioned in the Draft Prospectus. An auditor's certificate will be provided by the issuer to the exchange, in this regard.
- Our Company confirms that there is no material regulatory or disciplinary action by a stock exchange or regulatory authority in the past one year in respect of promoter, Group Companies, companies promoted by the promoter of the company except as disclosed under the chapter titled “*Outstanding Litigation and Material Developments*” on page 156 of this Draft Prospectus.
- We have disclosed all details of the track record of the directors. For Details, refer the chapter “*Outstanding Litigation & Material Developments*” on page 156 of this Draft Prospectus

#### As per Regulation 230 (1) of the SEBI ICDR Regulations, our Company has ensured that:

- The Draft Prospectus has been filed with BSE and our Company has made an application to BSE for listing of its Equity Shares on the BSE SME platform. BSE is the Designated Stock Exchange.
- To facilitate trading in demat securities; the Company had signed the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:
  - tripartite agreement dated December 8, 2022 with NSDL, our Company and Registrar to the Issue;
  - tripartite agreement dated September 2, 2022 with CDSL, our Company and Registrar to the Issue;

The Company's shares bear an ISIN: INE0N5001013

- The entire pre-Issue capital of our Company has shares fully paid-up Equity Shares and the Equity Shares proposed to be issued pursuant to this IPO will be fully paid-up.
- The entire Equity Shares held by the Promoter is in dematerialised form.
- The entire fund requirement is to be funded from the proceeds of the Issue, there is no requirement to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amounts to be raised through the proposed Issue. The fund requirement and deployment are based on internal management estimates and have not been appraised by any bank or financial institution. For details, please refer the chapter "*Objects of the Issue*" on page 64 of this Draft Prospectus.

Our Company confirms that it will ensure compliance with the conditions specified in Regulation 230 (2) of the SEBI ICDR Regulations, to the extent applicable.

Further, our Company confirms that it is not ineligible to make the Issue in terms of Regulation 228 of the SEBI ICDR Regulations, to the extent applicable. The details of our compliance with Regulation 228 of the SEBI ICDR Regulations are as follows:

- A. Neither our Company nor our Promoters, members of our Promoter Group or our Directors are debarred from accessing the capital markets by the SEBI.
- B. None of our Promoters or Directors is Promoter or Directors of companies which are debarred from accessing the capital markets by the SEBI.
- C. Neither our Company nor our Promoters or Directors is a wilful defaulter.
- D. None of our Promoters or Directors has been declared as fugitive economic offender under Economic Offenders Act, 2018.

We further confirm that we shall be complying with all the other requirements as laid down for such an Issue under Chapter IX of SEBI (ICDR) Regulations and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

In accordance with regulation 260 of the SEBI (ICDR) Regulations, this Issue was 100% underwritten and shall not restrict to the minimum subscription level. The LM shall underwrite at least 15% of the total Issue size. For further details pertaining to underwriting please refer to chapter titled "General Information" beginning on page 45 of this Draft Prospectus.

In accordance with Regulation 246 of the SEBI (ICDR) Regulations, we will file the Prospectus with SEBI as well as stock exchange. However, Board shall not issue any observation pursuant to Regulation 246(2) of the SEBI (ICDR) Regulations.

In accordance with Regulation 261 of the SEBI ICDR Regulations, we shall enter into an agreement with the LM and Market Maker to ensure compulsory market making for the minimum period of three years from the date of listing of equity shares offered in this Issue. For further details of the market making arrangement see chapter titled "General Information" beginning on page 45 of this Draft Prospectus

In accordance with regulation 268(1) of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed allottees in the offer is greater than or equal to fifty, otherwise, the entire application money will be refunded forthwith. If such money is not repaid within eight 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 eight days, be liable to repay such application money, with interest as prescribed under section 40 of the Companies Act, 2013.

#### **DISCLAIMER CLAUSE OF SEBI**

**IT IS TO BE DISTICTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT 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 THE SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THIS OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT PROSPECTUS. THE LEAD MANAGER EXPERT GLOBAL CONSULTANTS PRIVATE LIMITED HAS**

**CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT PROSPECTUS ARE 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 THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT PROSPECTUS, THE LEAD MANAGER, EXPERT GLOBAL CONSULTANTS PRIVATE LIMITED, IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGER, EXPERT GLOBAL CONSULTANTS PRIVATE LIMITED, HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED APRIL 03, 2023 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (OFFER OF SECURITIES AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018.**

**THE FILING OF THE DRAFT PROSPECTUS DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND 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 LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THE DRAFT PROSPECTUS.**

Note:

All legal requirements pertaining to the Issue will be complied with at the time of registration of the Draft Prospectus with the Registrar of Companies, Mumbai in terms of Section 26 of the Companies Act, 2013.

#### **Disclaimer from our Company and the Lead Manager**

Our Company, the Directors and the Lead Manager accept no responsibility for statements made otherwise than those contained in this Draft Prospectus or, in case of the Company, in any advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information would be doing so at his or her own risk.

#### **DISCLAIMER IN RESPECT OF JURISDICTION**

This Issue 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 authorized 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 applicable trust law and who are authorized under their constitution to hold and invest in shares, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, VCFs, state industrial development corporations, insurance companies registered with Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with minimum corpus of ₹ 2,500 Lakhs, pension funds with minimum corpus of ₹ 2,500 Lakhs and the National Investment Fund, and permitted non-residents including FPIs, Eligible NRIs, multilateral and bilateral development financial institutions, FVCIs and eligible foreign investors, provided that they are eligible under all applicable laws and regulations to hold Equity Shares of the Company. The Draft Prospectus does not, however, constitute an invitation to purchase shares issued hereby in any jurisdiction other than India to any person to whom it is unlawful to make an Issue or invitation in such jurisdiction. Any person into whose possession this Draft Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Issue 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, except that this Draft Prospectus has been filed with BSE Limited for its observations and BSE Limited shall give its observations in due course. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Draft Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

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 where required agrees that such applicant will not sell or transfer any Equity Shares 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, legislations and Draft Prospectus in each jurisdiction, including India.

#### **DISCLAIMER CLAUSE OF THE SME PLATFORM OF BSE**

BSE Limited (“BSE”) has given vide its letter dated [●] permission to our Company to use its name in this Offer Document as one of the Stock Exchanges on which this company’s securities are proposed to be listed on the SME PLATFORM OF BSE. BSE has scrutinized this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to the Company. BSE does not in any manner:

- Warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or
- Warrant that this company’s securities will be listed or will continue to be listed on BSE; or
- Take any responsibility for the financial or other soundness of this Company, its Promoters, its management or any scheme or project of this Company;
- warrant, certify or endorse the validity, correctness or reasonableness of the price at which the equity shares are offered by the Company and investors are informed to take the decision to invest in the equity shares of the Company only after making their own independent enquiries, investigation and analysis. The price at which the equity shares are offered by the Company is determined by the Company in consultation with the Merchant Banker (s) to the issue and the Exchange has no role to play in the same and it should not for any reason be deemed or construed that the contents of this offer document have been cleared or approved by BSE. Every person who desires to apply for or otherwise acquire any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against BSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever;
- BSE does not in any manner be liable for any direct, indirect, consequential or other losses or damages including loss of profits incurred by any investor or any third party that may arise from any reliance on this offer document or for the reliability, accuracy, completeness, truthfulness or timeliness thereof;
- The Company has chosen the SME platform on its own initiative and at its own risk, and is responsible for complying with all local laws, rules, regulations, and other statutory or regulatory requirements stipulated by BSE/other regulatory authority. Any use of the SME platform and the related services are subject to Indian laws and Courts exclusively situated in Mumbai.

#### **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 205 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.

#### **Listing**

Application will be made to the “BSE Limited” for obtaining permission to deal in and for an official quotation of our Equity Shares. BSE Limited will be the Designated Stock Exchange, with which the Basis of Allotment will be finalized.

BSE Limited has given its in-principle approval for using its name in the Offer Document vide its letter no. [●] dated [●].

If the permissions to deal in and for an official quotation of our Equity Shares are not granted by the SME Platform of BSE Limited, our Company will forthwith repay, without interest, all moneys received from the bidders in pursuance of the Draft Prospectus. If such money is not repaid within 8 days after our Company becomes liable to repay it (i.e. from the date of refusal or within 15 working days from the Issue Closing Date), then our Company and every Director of our Company who is an officer in default shall, on and from such expiry of 8 days, be liable to repay the money, with interest at the rate of 15 per cent per annum on application money, as prescribed under section 40 of the Companies Act, 2013.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the SME Platform of BSE Limited mentioned above are taken within six Working Days from the Issue Closing Date.

### **Disposal of Investor Grievances by our Company**

Our Company has constituted a Stakeholders’ Relationship Committee to review and redress the shareholders and investor grievances such as transfer of Equity Shares, non-recovery of balance payments, declared dividends, approve subdivision, consolidation, transfer and issue of duplicate shares. For details, please refer to the chapter titled “*Our Management*” beginning on page 108 of this Draft Prospectus.

Our Company estimates that the average time required by our Company or the Registrar to the Issue for the redressal of routine investor grievances shall be Ten (10) Working Days from the date of receipt of the complaint. In case of complaints that are not routine or where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has appointed Ms. Ankita Chopra, as the Company Secretary to redress complaints, if any, of the investors participating in the Issue. Contact details for our Company Secretary are as follows:

Ms. Ankita Chopra  
c/o Sonalis Consumer Products Limited  
Unit No. 16, Ground Level, Loft & Basement Sethia Industrial Estate, Tungareshwar Phata Vasai East Palghar Thane, Maharashtra-410208, India.  
Telephone: +91-98676 11444  
Website: [www.appetitefood.in](http://www.appetitefood.in)  
Email id: [cs@appetitefood.in](mailto:cs@appetitefood.in)

Investors can contact the Company Secretary or the Registrar to the Issue in case of any pre- Issue or post- Issue related problems such as non-receipt of letters of Allotment, non-credit of allotted Equity Shares in the respective beneficiary account, non-receipt of refund intimations and non-receipt of funds by electronic mode. Pursuant to the press release no. PR. No. 85/2011 dated June 8, 2011, SEBI has launched a centralized web based complaints redress system “SCORES”.

This would enable investors to lodge and follow up their complaints and track the status of redressal of such complaints from anywhere. For more details, investors are requested to visit the website [www.scores.gov.in](http://www.scores.gov.in)

The Company shall obtain authentication on the SCORES and comply with the SEBI circular no. CIR/OIAE/1/2013 dated December 18, 2014 in relation to redressal of investor grievances through SCORES. As on the date of this Draft Prospectus there are no pending investor complaints. Our Company has not received any investor complaint in the three years prior to the filing of this Draft Prospectus.

### **Impersonation**

Attention of the Bidders 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 includes imprisonment for a term of not less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

## Consents

Consents in writing of: (a) Directors, the Promoters, the Company Secretary, Chief Financial Officer & Compliance Officer, Statutory Auditor, Banker to the Company and (b) Lead Manager, Registrar to the Issue, Underwriter\*, Market Maker\*, Banker to the Issue\* and Legal Advisor to the Issue, to act in their respective capacities have been obtained and shall be filed along with a copy of the Prospectus with the RoC, as required under Sections 32 of the Companies Act, 2013 and such consents shall not be withdrawn up to the time of delivery of the Draft Prospectus for registration with the RoC. Our Auditors have given their written consent to the inclusion of their report in the form and context in which it appears in this Draft Prospectus and such consent and report shall not be withdrawn up to the time of delivery of the Draft Prospectus and Draft Prospectus for filing with the RoC.

\* The aforesaid will be appointed prior to filing of the Prospectus with RoC and their consents as above would be obtained prior to the filing of the Prospectus with RoC.

In accordance with the Companies Act, 2013 and the SEBI (ICDR) Regulations, M/s SSRV & Associate, Chartered Accountants, have provided their written consent to the inclusion of their (1) Report on Restated Standalone Financial Statements dated January 25, 2023 and (2) Report on Statement of Tax Benefits dated March 24, 2023, which may be available to the Company and its shareholders, included in this Draft Prospectus in the form and context in which they appear therein and such consents and reports have not been withdrawn up to the time of filing of this Draft Prospectus.

## Expert Opinion

Except as stated below, our Company has not obtained any expert opinions: Our Company has received written consent from the Statutory Auditor namely, M/s SSRV & Associate, Chartered Accountants to include their name as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Draft Prospectus and as “Expert” as defined under section 2(38) of the Companies Act, 2013 in respect to their (1) Report on Restated Financial Statements dated January 25, 2023 and (2) Report on Statement of Tax Benefits dated March 24, 2023 and issued by them, included in this Draft Prospectus and such consent has not been withdrawn as on the date of this Draft Prospectus.

However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act.

## Stock Market data for our Equity Shares of our Company

Our Company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations, and this Issue is an “Initial Public Offering” in terms of the SEBI (ICDR) Regulations. Thus, there is no stock market data available for the Equity Shares of our Company.

## TRACK RECORD OF THE PAST ISSUES HANDLED BY THE LEAD MANAGER

For details regarding the price information and the track record of the past Issues handled by the Lead Manager to the Issue as specified in Circular reference no. CIR/CFD/DIL/7/2015 dated October 30, 2015, issued by the SEBI, please see the website [www.expertglobal.in](http://www.expertglobal.in)

## Price Information and track record of past issued handled by the Lead Manager

### Expert Global Consultants Private Limited

Sr. No.	Issue Name	Issue Size (in Lakhs)	Issue price	Listing date	Opening price on listing date	+/- % change in closing price, [+/- % changing closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1	Rite Zone Chemcon India Limited	896.40	75.00	November 11, 2022	82.85	-7.99%; [0.80%]	-11.56%; [2.60%]	NA

2	Dollex Limited	Agrotech	2,438.80	35.00	December 28, 2022	30.00	15.24%; [-1.27%]	12.70%; [6.27%]	-	NA
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**Notes:**

(a) Source: [www.nseindia.com](http://www.nseindia.com) for the price information

(b) Wherever 30th/90th/180th calendar day from the listing day is a holiday, the closing data of the next trading day has been considered.

(c) The Nifty 50 index is considered as the benchmark index

**Summary statement of price information of past public issues handled by the Lead Manager**

Financial Year	Total no. of IPOs*	Total Funds Raised (₹ In Lakh)	Nos. of IPOs trading at discount- 30th calendar days from listing			Nos. of IPOs trading at premium- 30th calendar days from listing			Nos. of IPOs trading at discount- 180th calendar days from listing			Nos. of IPOs trading at premium- 180th calendar days from listing**		
			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%
2022-23	2	3,335.20	-	-	1	-	-	1	NA	NA	NA	NA	NA	NA

**PREVIOUS RIGHTS AND PUBLIC OFFERS**

Our Company has not made any previous public or rights issue in India or abroad the five (5) years preceding the date of this Draft Prospectus. However, the company has previously filed Draft Prospectus with BSE (SME Platform) dated January 3, 2023. Later, the company in the Board meeting dated February 21, 2023 decided to withdraw the Draft Prospectus dated January 3, 2023 filed with BSE SME Platform (due to change in eligibility requirement) and to file a fresh Draft Prospectus with the BSE (SME Platform) dated March 1, 2023.

Further, the Draft Prospectus dated March 1, 2023 with BSE SME Platform was containing the Restated Financial Statement as of September 30, 2022. In terms of SEBI (ICDR) Regulations, at the time of opening of the Issue the Financial Statements including in the Offer Document shall not be older than six months. Therefore, the Company in the Board meeting dated March 29, 2023 decided to withdraw the said Draft Prospectus filed with the BSE (SME Platform) and to file this fresh Draft Prospectus dated April 3, 2023 including the Restated Financial Statements for the period ended December 31, 2022.

**COMMISSION AND BROKERAGE ON PREVIOUS OFFERS**

Since this is the initial public Issue of the Equity Shares by our Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of our Equity Shares since the incorporation.

**CAPITAL ISSUE DURING THE PREVIOUS THREE YEARS BY ISSUER COMPANY AND LISTED GROUP COMPANIES / SUBSIDIARY / ASSOCIATES**

Neither our Company nor any of our Group Companies/ Subsidiary/Associates have undertaken any capital Issue or any public or rights Issue in the last three years preceding the date of this Draft Prospectus. Further, as on date of this Draft Prospectus our Company has no listed subsidiary.

**PERFORMANCE VIS-A-VIS OBJECTS FOR OUR COMPANY AND/OR LISTED SUBSIDIARY COMPANY AND/OR LISTED PROMOTERS COMPANY**

Our Company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations and this Issue is an “Initial Public Offering” in terms of the SEBI (ICDR) Regulations. Therefore, data regarding performance vis-à-vis objects is not applicable to us. Further, as on date of this Draft Prospectus our Company has no any listed corporate promoters and no listed subsidiary company.

**OUTSTANDING DEBENTURES, BONDS, REDEEMABLE PREFERENCE SHARES AND OTHER INSTRUMENTS ISSUED BY THE COMPANY**

The Company has no outstanding debentures or bonds. The Company has not issued any redeemable preference shares or other instruments in the past.

## SECTION XI – ISSUE RELATED INFORMATION

### TERMS OF THE ISSUE

*The Equity Shares being Issued are subject to the provisions of the Companies Act, SCRA, SCRR, SEBI (ICDR) Regulations, the SEBI Listing Regulations, our Memorandum and Articles of Association, the terms of the Draft Prospectus, Prospectus, Application Form, any Confirmation of Allocation Note (“CAN”), the Revision Form, Allotment advices, 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 Issue. The Equity Shares shall also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the GoI, the Stock Exchange, the RoC, the RBI and/or other authorities, as in force on the date of the Issue and to the extent applicable or such other conditions as may be prescribed by SEBI, RBI, the GoI, the Stock Exchange, the RoC and/or any other authorities while granting its approval for the Issue.*

*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 issue 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, SEBI through 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, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, circular (SEBI/HO/CFD/DIL2/CIR/P/2019/85) dated July 26, 2019 and circular (SEBI/HO/CFD/DCR2/CIR/P/2019/133) dated November 8, 2019, the circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 and any subsequent circulars issued by SEBI in this regard, SEBI has 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 RIIs 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, with respect to Application by retail individual investors through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Applicants with existing timeline of T+6 days will continue for a period of three months or launch of five main board public issues, whichever is later (“UPI Phase II”). Subsequently, the final reduced timeline will be made effective using the UPI Mechanism for applications by retail individual investors (“UPI Phase III”), as may be prescribed by SEBI.*

*Further vide the said circular Registrar to the Issue and Depository Participants have been also authorized to collect the Application forms. Investor may visit the official website of the concerned for any information on operationalization of this facility of form collection by the Registrar to the Issue and Depository Participants as and when the same is made available.*

### Authority for the Issue Size

This Issue has been authorized by a resolution of our Board of directors passed at their meeting held on September 10, 2022 subject to the approval of shareholders through a special resolution to be passed pursuant to Section 62 (1) I of the Companies Act, 2013 at the general meeting.

The shareholders have authorized the issue by a special resolution in accordance with Section 62 (1) (c) of the Companies Act, 2013 passed at the EGM of our Company held on September 15, 2022.

### Ranking of Equity Shares

The Equity Shares being issued shall be subject to the provisions of the Companies Act, and our MoA and AoA and shall rank pari-passu in all respects with the existing Equity Shares of our Company including rights in respect of dividends and other corporate benefits, if any, declared by us after the date of Allotment. The Allottees, upon Allotment of Equity Shares under this Issue, will be entitled to receive dividends and other corporate benefits, if any, declared by our Company after the date of Allotment.

For further details, please refer to the section titled ‘Description of Equity Shares and Terms of Articles of Association’ beginning on page 209 of this Draft Prospectus.

### Mode of Payment of Dividend

The declaration and payment of dividend will be as per the provisions of Companies Act, 2013, Article of Association, the provision of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 any other rules, regulations or guidelines as may be issued by Government of India in connection there to and as per the recommendation 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 dividend, in cash as per the provisions of the Companies Act and our Articles of Association. For further details in relation to dividends, please refer to sections titled, '*Dividend Policy*' and '*Description of Equity Shares and Terms of Articles of Association*', beginning on page 127 and 209 respectively, of this Draft Prospectus.

### **Face Value and Issue Price per Share**

The face value of the Equity Shares is ₹10.00/- each and the Issue Price is ₹ [●] per Equity Share. The Issue Price is determined by our Company in consultation with the Lead Manager and is justified under the section titled '*Basis of the Issue Price*' beginning on page 69 of this Draft Prospectus.

At any given point of time there shall be only one denomination for the Equity Shares of our Company, subject to applicable laws.

### **Compliance with SEBI (ICDR) Regulations**

Our Company shall comply with all requirements of the SEBI (ICDR) Regulations, as amended from time to time. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

### **Compliance with Disclosure and Accounting Norms**

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 and 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, in accordance with the provisions of the Companies Act, 2013;
- Right to receive offer for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation subject to any statutory and preferential claim being satisfied;
- Right of free transferability subject to applicable law, including any RBI rules and regulations; and
- Such other rights, as may be available to a shareholder of a listed public limited company under the Companies Act, 2013, the terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Memorandum of Association and Articles of Association of our Company.

For a detailed description of the main provisions of the Articles of Association relating to voting rights, dividend, forfeiture and lien and/or consolidation/splitting, please refer to the section titled '*Description of Equity Shares and Terms of Articles of Association*' beginning on page 209 of this Draft Prospectus.

### **Allotment in Dematerialized Form**

As per the provisions of the Depositories Act, 1996 and the regulations made under and Section 29(1) of the Companies Act, 2013 the Equity Shares to be allotted must 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. Hence, the Equity Shares being offered can be applied for in the dematerialized form only.

In this context, two agreements have been signed among our Company, the respective Depositories and the Registrar to the Issue:

- Tripartite Agreement dated December 8, 2022 between NSDL, our Company and Registrar to the Issue; and
- Tripartite Agreement dated September 2, 2022 between CDSL, our Company and Registrar to the Issue.

### **Market Lot and Trading Lot**

Trading of the Equity Shares will happen in the minimum contract size of [●] Equity Shares in terms of the SEBI circular no. CIR/MRD/DSA/06/2012 dated February 21, 2012 and the same may be modified by BSE from time to time by giving prior notice to investors at large.

Allocation and allotment of Equity Shares through this Issue will be done in multiples of [●] Equity Share subject to a minimum allotment of [●] Equity Shares to the successful Applicants. Further, in accordance with SEBI (ICDR) Regulations the minimum application size in terms of number of specified securities shall not be less than Rupees One Lakhs per application.

#### **Minimum Number of Allottee's**

In accordance with the Regulation 268 of ICDR Regulations. The minimum number of Allottee's in the Issue shall be 50 (Fifty) shareholders. In case the minimum number of prospective Allottee's is less than 50 (Fifty), no Allotment will be made pursuant to this Issue and the monies blocked by the SCSBs shall be unblocked forthwith.

#### **Jurisdiction**

Exclusive jurisdiction for the purpose of this Issue is with the competent courts / authorities in Mumbai, Maharashtra.

**The Equity Shares have not been and will not be registered under the U.S Securities Act, 1933 or any state securities laws in the United States, and may not be offered or sold within the United States, except pursuant to an exemption from or in a transaction not subject to, registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered or sold outside the United States 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.**

#### **Joint Holders**

Where 2 (two) or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as joint holders with benefits of survivorship.

#### **Nomination Facility to Investor**

In accordance with Section 72 of the Companies Act, 2013, the First / Sole 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 Agents of our Company.

In accordance with Section 72 of the Companies Act, 2013, any Person who becomes a nominee by virtue of this section shall upon the production of such evidence as may be required by the Board of Directors, elect either:

- a) To register himself or herself as the holder of the Equity Shares; or
- b) To make such transfer of the Equity Shares, as the deceased holder could have made.

Further, our 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, our 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 this Issue will be made only in dematerialized mode there is no need to make a separate nomination with our Company. Nominations registered with respective depository participant of the applicant would prevail. If the Applicant wants to change the nomination, they are requested to inform their respective Depository Participant.

### Withdrawal of the Issue

Our Company in consultation with the Lead Manager, reserve the right not to proceed with the Fresh Issue, in whole or in part thereof, to the extent of Offered Shares, at any time after the Issue Opening Date but before the Board meeting for Allotment. In such an event our Company would issue a public notice in the newspapers, in which the pre-Issue advertisements were published, within two days of the Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. The Lead Manager, through the Registrar to the Issue, shall notify the SCSBs and Sponsor Bank (in case of RII's using the UPI Mechanism), to unblock the bank accounts of the ASBA Applicants and the Escrow Collection Bank to release the Application Amounts to the Anchor Investors, if applicable, within one day of receipt of such notification. Our Company shall also promptly inform the same to the Stock Exchange on which the Equity Shares were proposed to be listed.

Notwithstanding the foregoing, this Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment; and (ii) the final RoC approval of the Draft Prospectus after it is filed with the RoC. If our Company, in consultation with the Lead Manager withdraw the Issue after the Application/ Issue Closing Date and thereafter determine that it will proceed with public Issue of the Equity Shares, our Company shall file a fresh Draft Prospectus with the Stock Exchange.

### Period of Subscription List of Public Issue

Event	Indicative Date
Issue Opening Date	[●]
Issue Closing Date	[●]
Finalization of Basis of Allotment with the Designated Stock Exchange	On or about [●]
Initiation of Allotment / Refunds / Unblocking of Funds from ASBA Account or UPI ID linked bank account*	On or about [●]
Credit of Equity Shares to Demat accounts of Allottees	On or about [●]
Commencement of trading of the Equity Shares on the Stock Exchange	On or about [●]

Further, in the event there are any delays in resolving the investor grievance beyond the date of receipt of the complaint from the investor, for each day delayed, the post-issue LM shall be liable to compensate the investor ₹ 100 per day or 15% per annum of the Bid Amount, whichever is higher. The compensation shall be payable for the period ranging from the day on which the investor grievance is received till the date of actual unblock.

Bids and any revision in Bids shall be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time (“IST”)) during the Bid / Issue Period (except on the Bid / Issue Closing Date) at the Bidding Centres as mentioned on the Application Form except that:

(i) on the Bid / Issue Closing Date:

- in case of Bids by Non-Institutional Bidders, the Bids and the revisions in Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (IST) and uploaded until 4.00 p.m. (IST); and
- in case of Bids by Retail Individual Bidders, the Bids and the revisions in Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (IST) and uploaded until 5.00 p.m. (IST), which may be extended up to such time

Applicants are cautioned that, in the event a large number of Application Forms are received on the Issue Closing Date, as is typically experienced in public issues, some Application Forms may not get uploaded due to the lack of sufficient time. Such Application Forms that cannot be uploaded will not be considered for allocation under this Issue. Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holidays). Neither our Company nor the LM is liable for any failure in uploading the 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 Application Forms prior to the Issue Closing Date. Allocation to Retail Individual Applicants, in this Issue 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 Application Form, for a particular Applicant, the details as per the file received from Stock 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 Application Form, for a particular ASBA Applicant, the Registrar to the Issue shall ask the relevant SCSBs / RTAs / DPs / stock brokers, as the case may be, for the rectified data.

\*In case of (i) any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) for cancelled/ withdrawn/ deleted ASBA Forms, the Applicant shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the Application Amount, whichever is higher from the date on which the request for cancellation/ withdrawal/ deletion is placed in the Stock Exchanges Applying platform until the date on which the amounts are unblocked (ii) any blocking of multiple amounts for the same ASBA Form (for amounts blocked through the UPI Mechanism), the Applicant shall be compensated at a uniform rate ₹ 100 per day or 15% per annum of the total cumulative blocked amount except the original application amount, whichever is higher from the date on which such multiple amounts were blocked till the date of actual unblock; (iii) any blocking of amounts more than the Application Amount, the Applicant shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the difference in amount, whichever is higher from the date on which such excess amounts were blocked till the date of actual unblock; (iv) any delay in unblocking of non-allotted/ partially allotted Application, exceeding four Working Days from the Issue Closing Date, the Applicant shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the Application Amount, whichever is higher for the entire duration of delay exceeding four Working Days from the Issue Closing Date by the SCSB responsible for causing such delay in unblocking. The post Issue LM shall be liable for compensating the Applicant at a uniform rate of ₹ 100 per day or 15% per annum of the Application Amount, whichever is higher from the date of receipt of the Investor grievance until the date on which the blocked amounts are unblocked. For the avoidance of doubt, the provisions of the 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 shall be deemed to be incorporated in the deemed agreement of the Company with the SCSBs to the extent applicable.

### **Minimum Subscription and Underwriting**

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten. If the Issuer does not receive the subscription of 100% of the Issue through this offer document including devolvement of Underwriter within sixty days from the date of closure of the Issue, the Issuer shall forthwith refund the entire subscription amount received within the time limit as prescribed under the SEBI (ICDR) Regulations and Companies Act, 2013.

In terms of Regulation 272(2) of SEBI ICDR Regulations, in case the Company fails to obtain listing or trading permission from the stock exchanges where the specified securities are proposed to be listed, it shall refund through verifiable means the entire monies received within four days of receipt of intimation from stock exchange(s) rejecting the application for listing of specified securities, and if any such money is not repaid within four days after the issuer becomes liable to repay it, the issuer 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.

In terms of Regulation 260 of the SEBI (ICDR) Regulations, 2018, the Issue is 100% underwritten. For details of underwriting arrangement, kindly refer the chapter titled "**General Information**" on page 45 of this Draft Prospectus. Further, in accordance with Regulation 267 of the SEBI (ICDR) Regulations, 2018, the minimum application size in terms of number of specified securities shall not be less than Rupees One Lakh per application.

### **Migration to Main Board**

As per the provisions of the Chapter IX of the SEBI (ICDR) Regulation, 2018, our Company may migrate to the main board of BSE from the SME Exchange on a later date subject to the following:

If the Paid-up Capital of the company is likely to increase above Rs. 25 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in-principal approval from the main board), we shall have to apply to for listing our shares on its Main Board subject to the fulfilment of the eligibility criteria for listing of specified BSE securities laid down by the Main Board.

If the Paid-up Capital of the company is more than Rs. 10 crores but below Rs. 25 crores, we may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than

the promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

### **Market Making**

The shares offered through this Issue are proposed to be listed on the SME Platform of BSE (BSE SME), wherein the Lead Manager to this Issue shall ensure compulsory Market Making through the registered Market Makers of the SME Exchange for a minimum period of 3 (three) years from the date of listing on the SME platform of BSE.

For further details of the agreement entered into between the Company, the Lead Manager and the Market Maker please refer to section titled "General Information " on page 45 of this Draft 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 SME platform of BSE Limited.

### **Application by Eligible NRI's, FPI's , VCF's, AIF's 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.

### **As Per the Extant Policy of the Government of India, OCBS Cannot Participate in this issue.**

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.

### **Allotment of Equity Shares in Dematerialized Form**

Pursuant to Section 29 of the Companies Act, 2013, the Equity Shares in the Issue shall be allotted only in dematerialized form. Further, as per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialized form on the Stock Exchange.

### **New Financial Instruments**

There are no new financial instruments such as deep discounted bonds, debenture, warrants, secured premium notes, etc. issued by our Company through this Issue.

### **Restrictions on Transfer and Transmission of Shares or Debentures and on their Consolidation or Splitting**

Except for lock-in of the Pre- Issue Equity Shares and Promoter minimum contribution in the Issue as detailed under section titled "Capital Structure" beginning on page 53 of this Draft Prospectus, and except as provided in the Articles of Association of our Company, there are no restrictions on transfers of Equity Shares. There are no restrictions on transfer and transmission of shares/ debentures and on their consolidation/ splitting except as provided in the Articles of Association. For further details, please refer to section titled " Description Of Equity Shares And Terms Of Articles of Association" beginning on page 209 of this Draft Prospectus.

### **New Financial Instruments**

As on the date of this Draft Prospectus, there are no outstanding warrants, new financial instruments or any rights, which would entitle the shareholders of our Company, including our Promoter, to acquire or receive any Equity Shares after the Issue.

### **Pre-Issue Advertisement**

Subject to Section 30 of the Companies Act, 2013 our Company shall, after registering the Prospectus with the RoC publish a pre-Issue advertisement, in the form prescribed by the SEBI (ICDR) Regulations, in one widely circulated English language national daily newspaper; one widely circulated Hindi language national daily newspaper and one regional newspaper with wide circulation where the Registered Office of our Company is situated.

*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 Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the Lead Manager are not liable to inform the investors of any amendments or modifications or changes in applicable laws and regulations, which may occur after the date of this Draft*



*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 and regulations.*

## ISSUE STRUCTURE

This issue is being made in terms of Regulation 229 (1) of the Chapter IX of SEBI (ICDR) Regulations, 2018, as amended from time to time, whereby, our Company whose post Issue face value capital does not exceed ten crores rupees. The Company shall issue specified securities to the public and propose to list the same on the Small and Medium Enterprise Exchange ("SME Exchange", in this case being the SME Platform of BSE). For further details regarding the salient features and terms of such this Issue, please see the chapters titled "Terms of the Issue" and "Issue Procedure" beginning on page 171 and 181 respectively, of this Draft Prospectus.

### Issue Structure

Initial Public Issue of upto 9,44,000 Equity Shares of face value of ₹ 10/- each for cash at a price of ₹ [●] per Equity Share (including a Share Premium of ₹[●] per equity share (the "Issue Price"), aggregating up to ₹ [●] Lakhs ("the issue") by our Company of which 52,000 Equity Shares of ₹ 10/- each will be reserved for subscription by Market Maker Reservations Portion and a Net Issue to public of 8,92,000 Equity Shares of ₹ 10/- each is hereinafter referred to as the net issue. The Issue and the Net Issue will constitute 47.22% and 44.62% respectively of the post issue paid up Equity Share Capital of the Company.

Particulars	Market Maker Reservation Portion	Net Issue to Public	Non Institutional Bidders	Retail Individual Bidders
<b>Number of Equity Shares</b>	[●] Equity Shares	[●] Equity Shares	[●] Equity Shares	[●] Equity Shares
<b>Percentage of issue Size available for allocation</b>	[●]% of the Issue Size	[●] % of issue Size	[●] % of the net issue shall be available for allocation	[●] % of the Net issue Size
<b>Basis of Allotment / Allocation if respective category is oversubscribed</b>	Firm Allotment	Firm allotment	Proportionate	Proportionate subject to Minimum allotment of [●] equity shares and further allotment in multiples of [●] equity shares each. For further details please refer to the section titled "Issue Procedure" beginning on page 181 of the Draft prospectus
<b>Mode of Application</b>	All the applicants shall make the application (Online or Physical) through the ASBA Process only (including UPI mechanism for Retail Investors using Syndicate ASBA).			
<b>Minimum Bid Size</b>	[●] Equity Shares of Face Value of ₹ 10.00 each	[●] Equity Shares of Face Value of ₹ 10.00 each	Such number of Equity shares in multiple of [●] Equity shares such that Application size exceeds ₹ 2,00,000	[●] Equity Shares of Face Value of ₹ 10.00 each
<b>Maximum Bid Size</b>	[●] Equity Shares of Face Value of ₹ 10.00 each	[●] Equity Shares of Face Value of ₹ 10.00 each	Not exceeding the size of the Issue, subject to limits as applicable to the Bidder	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed ₹ 2,00,000
<b>Mode of Allotment</b>	Compulsorily in Dematerialized mode			
<b>Trading Lot</b>	[●] Equity Shares. However, the Market Maker may buy odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2018.	[●] Equity Shares, however the Market Maker may accept odd lots if any in the market	[●] Equity Shares and in multiples thereof	[●] Equity Shares and in multiples thereof
<b>Who can Apply(2)</b>	Market Maker	<b>For Other than Retail Individual Investors:</b> Resident Indian individuals, Eligible NRIs, HUFs (in the name of the Karta), companies, corporate bodies, scientific institutions societies and trusts. <b>For Retail Individuals Investors:</b>		

Particulars	Market Maker Reservation Portion	Net Issue to Public	Non Institutional Bidders	Retail Individual Bidders
		Resident Indian individuals, HUFs (in the name of the Karta) and Eligible NRIs.		
<b>Terms of Payment(3)</b>	The entire Application Amount shall be blocked by the SCSBs in the bank account of Applicants, or by the Sponsor Banks through UPI mechanism (for RIIs using the UPI mechanism) at the time of the submission of the Application Form.			

<sup>(1)</sup> Since present issue is a fixed price issue, the allocation in the net Issue to the public category in terms of Regulation 253(2) of the SEBI (ICDR) Regulations, 2018 shall be made as follows:

- a) Minimum fifty per cent to retail individual investors; and
- b) Remaining to:
  - (i) individual applicants other than retail individual investors; and
  - (j) other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;

Provided that the unsubscribed portion in either of the categories specified in (a) or (b) above may be allocated to the applicants in the other category.

**Note: If the retail individual investor category is entitled to more than the allocated portion i.e. 50% on proportionate basis, accordingly the retail individual investors shall be allocated that higher percentage.**

<sup>(2)</sup>In case of joint Applications, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the beneficiary account or UPI linked account number held in joint names. The signature of only such first Applicant would be required in the Application Form and such first Applicant would be deemed to have signed on behalf of the joint holders.

<sup>(3)</sup>In case of ASBA Applicants, the SCSB shall be authorised to block such funds in the bank account of the ASBA Applicant (including retail applicants applying through UPI mechanism) that are specified in the Application Form. SCSBs applying in the Issue must apply through an ASBA Account maintained with any other SCSB.

### Withdrawal of the Issue

The Company, in consultation with the Lead Manager, reserves the right not to proceed with the Issue at any time before the Issue Opening Date, without assigning any reason thereof. Notwithstanding the foregoing, the Issue is also subject to obtaining the following:

The final listing and trading approvals of BSE Limited for listing of Equity Shares offered through this issue on its SME Platform, which the Company shall apply for after Allotment and,

In case, the Company wishes to withdraw the Issue after Issue opening but before allotment, the Company will give public notice giving reasons for withdrawal of Issue. The public notice will appear in two widely circulated national newspapers (One each in English and Hindi) and one in regional newspaper.

The Lead Manager, through the Registrar to the Issue, 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-Issue advertisements have appeared, and the Stock Exchange will also be informed promptly.

If our Company withdraws the Issue after the Issue Closing Date and subsequently decides to undertake a public offering of Equity Shares, our Company will file a fresh issue document with the stock exchange where the Equity Shares may be proposed to be listed.

### ISSUE PROGRAMME

ISSUE OPENING DATE	[●]
ISSUE CLOSING DATE	[●]*

\*The UPI mandate end time and date shall be 12 P.M. on [●]

Applications 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 Issue Period at the Application Centres mentioned in the Application Form. On the Issue Closing Date applications will be accepted only between 10.00 a.m. to 3.00 p.m. (Indian Standard Time).

Standardization of cut-off time for uploading of applications on the Issue Closing Date:

- a) A standard cut-off time of 3.00 p.m. for acceptance of applications.
- b) A standard cut-off time of 4.00 p.m. for uploading of applications received from other than retail individual applicants.
- c) A standard cut-off time of 5.00 p.m. for uploading of applications received from only retail individual applicants, which may be extended up to such time as deemed fit by BSE after taking into account the total number of applications received up to the closure of timings and reported by Lead Manager to BSE within half an hour of such closure.

Due to limitation of time available for uploading the application on the Issue Closing Date, Applicants are advised to submit their applications one day prior to the Issue Closing Date and, in any case, not later than 1.00 p.m. IST on the Issue Closing Date. Any time mentioned in this Draft Prospectus is IST. Applicants are cautioned that, in the event a large number of applications are received on the Issue Closing Date, as is typically experienced in public Issues, some applications may not get uploaded due to lack of sufficient time. Such applications that cannot be uploaded will not be considered for allocation under this Issue. Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).

*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 Issue Closing Date, the Bidder shall be compensated in accordance with the applicable law by the intermediary responsible for causing such delay in unblocking. The Lead -Managers shall, in our Company with the SCSBs, to the extent applicable.*

Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding bank holidays).

#### **Lot Size**

SEBI vide circular CIR/MRD/DSA/06/2012 dated February 21, 2012 (the “Circular”) standardized the lot size for Initial Public Issue proposing to list on SME exchange/platform and for the secondary market trading on such exchange/platform, as under:

Issue Price (in ₹)	Lot Size (No. of shares)
Up to 14	10,000
More than 14 up to 18	8,000
More than 18 up to 25	6,000
More than 25 up to 35	4,000
More than 35 up to 50	3,000
More than 50 up to 70	2,000
More than 70 up to 90	1,600
More than 90 up to 120	1,200
More than 120 up to 150	1,000
More than 150 up to 180	800
More than 180 up to 250	600
More than 250 up to 350	400
More than 350 up to 500	300
More than 500 up to 600	240
More than 600 up to 750	200
More than 750 up to 1,000	160
Above 1,000	100

Further to the circular, at the Initial Public Offer stage the Registrar to Issue in consultation with Lead Manager, our Company and BSE shall ensure to finalize the basis of allotment in minimum lots and in multiples of minimum lot size, as per the above given table. The secondary market trading lot size shall be the same, as shall be the IPO Lot Size at the application/allotment stage, facilitating secondary market trading.

## ISSUE PROCEDURE

All Applicants should 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 and the UPI Circulars, notified by SEBI (the “General Information Document”), which highlights the key rules, processes and 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 ICDR Regulations. The General Information Document shall be made available on the websites of the Stock Exchanges, the Company and the Lead Manager before opening of the Issue. Please refer to the relevant provisions of the General Information Document which are applicable to this Issue.

Additionally, all Applicants may refer to the General Information Document for information, in addition to what is stated herein, in relation to (i) category of Applicants eligible to participate in the Issue; (ii) maximum and minimum Application size; (iii) price discovery and allocation; (iv) payment instructions for ASBA Applicants and Retail Individual Investors applying through the United Payments Interface channel; (v) issuance of Confirmation of Allocation Note (“CAN”) and Allotment in the Issue; (vi) price discovery and allocation; (vii) general instructions (limited to instructions for completing the Application Form); (viii) Designated Date; (ix) disposal of Applications; (x) submission of Application Form; (xi) other instructions (limited to joint Applications in cases of individual, multiple Applications and instances when an Application would be rejected on technical grounds); (xii) applicable provisions of Companies Act, 2013 relating to punishment for fictitious Applications; (xiii) mode of making refunds; and (xiv) 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, has 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 Retail Individual Investors 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 bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 with respect to Bids by RIIs through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been 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”). Subsequently, however, 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. The final reduced timeline will be made effective using the UPI Mechanism for applications by RIIs (“UPI Phase III”), as may be prescribed by SEBI. The Issue will be undertaken pursuant to the processes and procedures under UPI Phase II, 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, has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. This circular is effective 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, as amended, are deemed to form part of this Draft Prospectus.

Thereafter, the final reduced timeline may be made effective using the UPI Mechanism for applications by Retail Individual Investors (“UPI Phase III”), as may be prescribed by SEBI. Accordingly, the Issue will be made under UPI Phase II, unless UPI Phase III becomes effective and applicable on or prior to the Bid / Issue Opening Date. If the Issue is made under UPI Phase III, the same will be advertised in [●] editions of the English national daily newspaper, [●] editions of the Hindi national daily newspaper, [●] and [●] editions of the regional newspaper, [●] (Hindi being the regional language of Delhi, where our Registered Office is located) on or prior to the Bid / Issue Opening Date and such advertisement shall also be made available to the Stock Exchange for the purpose of uploading on their websites. Further SEBI vide circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 02, 2021 have brought the implementation of the aforesaid circular dated March 16, 2021 in accordance with the revised timelines for certain of its provisions based on representations received from the stakeholders due to Covid- 19 pandemic. The revisions of the circular dated June 02, 2021 are elaborated as under:

- SCSB’s shall continue to send SMS alerts during the actual block/debit/unblock of UPI mandate in the prescribed format, the details of total number of shares applied/allotted/non-allotted etc. shall be included in SMS for Public Issues opening on/after January 01, 2022.
- The automated web portal shall be live and operational after due testing and mock trials with the CUG entities for Public Issues opening on or after October 01, 2021. The requisite information on this automated portal shall be updated periodically in intervals not exceeding two hours.

- In the interim, for the Public Issues opening from the date of this circular and till the automated web portal is live and operational, the Sponsor Banks shall send the details to the e-mail address of CUG entities periodically in intervals not exceeding three hours. In case of exceptional events viz., technical issues with UPI handles/PSPs/TPAPS/SCSB's etc., the same shall be intimated immediately to the CUG entities so as to facilitate the flow of information in the Public Issue process.
- The Stock Exchanges and Lead managers shall facilitate providing the requisite data of CUG entities to Sponsor Bank for the development of automated web portal. Such information shall be provided to the Sponsor Bank before opening of the Public Issue.
- The Registrar to the Issue shall provide the allotment/ revoke files to the Sponsor Bank by 8:00 PM on T+3 i.e., the day when the Basis of Allotment (BOA) has to be finalized.
- The Sponsor Bank shall execute the online mandate revoke file for Non-Allottees/ Partial Allottees and provide pending applications for unblock, if any, to the Registrar to the Issue, not later than 5:00 PM on BOA+1.
- Subsequent to the receipt of the pending applications for unblock from the Sponsor Bank, the Registrar to the Issue shall submit the bank-wise pending UPI applications for unblock to the SCSBs, not later than 6:30 PM on BOA+1 and ensure that the unblocking is completed on T+4.

Our Company and the LM do not accept any responsibility for the completeness and accuracy of the information stated in this section and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that their Applications are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in the Draft Prospectus.

SEBI vide Circular No. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 05, 2022, which came into force for public issue opening on or after May 01, 2022 has decided that all Individual Investors applying in Public Issues where the application amount is upto ₹ 5 Lakhs shall use UPI.

For further details, refer to the General Information Document available on the websites of the Stock Exchange and the Lead Manager.

Further, our Company and the LM are not liable for any adverse occurrences consequent to the implementation of the UPI Mechanism for application in the Issue.

## **PART A**

### **Fixed Price Issue Procedure**

The Issue is being made in compliance with the provisions of Reg. 229 (1) of Chapter IX of the SEBI (ICDR) Regulations, 2018 and through the Fixed Price Process wherein 50% of the Net Issue to Public is being offered to the Retail Individual Applicants and the balance shall be offered to Non-Retail Category i.e. QIBs and Non Institutional Applicants. However, if the aggregate demand from the Retail Individual Applicants is less than 50%, then the balance Equity Shares in that portion will be added to the non-retail portion offered to the remaining investors including QIBs and NIIs and vice-versa subject compliance with Regulation 253(2) of the SEBI ICDR Regulations and subject to valid Applications being received from them at or above the Issue Price.

Subject to the valid Applications being received at or above the Issue Price, allocation to all categories in the Net Issue, shall be made on a proportionate basis, except for the Retail Portion where Allotment to each Retail Individual Applicants shall not be less than the minimum 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 Lead Manager and the Stock Exchange.

**Investors should note that according to Section 29(1) of the Companies Act, 2013, allotment of Equity Shares to all successful Applicants will only be in the dematerialized form. It is mandatory to furnish the details of Applicant's depository account along with Application Form. The Application Forms which do not have the details of the Applicants' depository account, including the DP ID Numbers and the beneficiary account number shall be treated as incomplete and rejected. Application Forms which do not have the details of the Applicants' PAN, (other than Applications made on behalf of the Central and the State Governments, residents of the state of Sikkim and official appointed by the courts) shall be treated as incomplete and are liable to be rejected. Applicants will not have the option of being Allotted Equity Shares in physical form. The Equity Shares**

**on Allotment shall be traded only in the dematerialised segment of the Stock Exchanges. However, investors may get the specified securities rematerialised subsequent to allotment.**

### **Application Form**

Retail Individual Applicants can submit their applications by submitting Application Forms, in physical form or in electronic mode, to the members of the Syndicate, the sub-Syndicate, the SCSBs, the Registered Brokers, Registrars to an Issue and Share Transfer Agents and Depository Participants.

Application Forms will be available with the Syndicate/sub-Syndicate members, SCSBs and at our Registered Office. In addition, the Application Forms will also be available for download on the website of the Company, Lead Manager and Stock Exchange, SME Platform of BSE, at least one day prior to the Issue Opening Date.

All Applicants shall mandatorily participate in the Issue only through the ASBA process. ASBA Applicants must provide bank account details and authorization to block funds in the relevant space provided in the Application Form or alternatively, the Retail Individual Applicants wishing to apply through UPI Channel, may provide the UPI ID and validate the blocking of the funds and the Application Forms that do not contain such details are liable to be rejected. For further details on the UPI Channel please refer SEBI circular Ref SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018.

Applicants shall ensure that the Applications are made on Application Forms bearing the stamp of a member of the Syndicate or the Registered Broker or the SCSBs or Registrars to an Issue and Share Transfer Agents or Depository Participants, as the case may be, submitted at the Collection centres only (except in case of electronic Application Forms) and the Application Forms not bearing such specified stamp are liable to be rejected.

Pursuant to SEBI Circular dated January 1, 2016 and bearing no. CIR/CFD/DIL/1/2016, the Application Form has been standardized. Also, please note that pursuant to SEBI Circular CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 investors in public issues can only invest through ASBA mode. The prescribed colors of the Application Form for various investors applying in the Issue are as follows:

<b>Categories</b>	<b>Color<sup>(1)</sup></b>
Indian Public / eligible NRI's applying on a non-repatriation basis (ASBA)	White
Non-Residents including eligible NRI's, FPI's, FIIs, FVCIs, etc. applying on a repatriation basis (ASBA)	Blue

(1) Excluding Electronic Application Form

In case of ASBA forms, the relevant Designated Intermediaries shall upload the relevant bid details in the electronic bidding system of the Stock Exchanges. For RIBs using UPI Mechanism, the Stock Exchanges 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. For ASBA Forms (other than RIBs using UPI Mechanism) Designated Intermediaries (other than SCSBs) shall submit/ deliver the ASBA Forms to the respective SCSB where the Bidder has an ASBA bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank. For ensuring timely information to investors, SCSBs shall send SMS alerts for mandate block and unblock including details specified in SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 and SEBI vide circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 02, 2021.

Designated Intermediaries (other than SCSBs) after accepting 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 Application Forms to respective SCSBs where the Applicants 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 application form, respective intermediary shall capture and upload the relevant bid details, including UPI ID, in the electronic bidding system of Stock Exchange.

Further, Intermediaries shall retain physical application forms submitted by retail individual investors with UPI as a payment mechanism, for a period of six months and thereafter forward the same to the issuer/ Registrar to the Issue. However, in case of Electronic forms, "printouts" of such applications need not be retained or sent to the issuer. Intermediaries shall, at all times, maintain the electronic records relating to such forms for a minimum period of three years.

Applicants shall only use the specified Application Form for making an Application in terms of the Draft Prospectus.

The Application Form shall contain information about the Applicant and the price and the number of Equity Shares that the Applicants wish to apply for Application Forms downloaded and printed from the website of the Stock Exchange shall bear a system generated unique application number. Applicants 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 Issue, shall submit a completed 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 issue and share transfer agent (‘RTA’) (whose name is mentioned on the website of the stock exchange as eligible for this activity)

Retail 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 Application Form. It is clarified that Retail Individual Bidders may continue to submit physical ASBA Forms with SCSBs without using the UPI Mechanism.

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 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:

<b>For Applications submitted by Investors to SCSB:</b>	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.
<b>For application submitted by investors to intermediaries other than SCSBs:</b>	After accepting the 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 application forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Issue.
<b>For applications submitted by investors to intermediaries other than SCSBs with use of UPI for payment:</b>	<p>After accepting the application form, respective intermediary shall capture and upload the relevant application details, including UPI ID, in the electronic bidding system of stock exchange.</p> <p>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.</p> <p>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.</p>

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 Application Form to Application Collecting intermediaries, the Applicants are deemed to have authorized our Company to make the necessary changes in the Draft Prospectus, without prior or subsequent notice of such changes to the Applicants. Applicants shall submit an Application Form either in physical or electronic form to the SCSB's authorising blocking of funds that are available in the bank account specified in the Application Form used by ASBA Applicants. Designated Intermediaries (other than SCSBs) shall submit/deliver the ASBA Forms/ Application Forms to the respective SCSB, where the Applicant has a bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank.

#### **Availability of Draft Prospectus and Application Forms**

The Application Forms and copies of the Draft Prospectus may be obtained from the Registered Office of our Company and Lead Manager to the Issue as mentioned in the Application Form. The application forms may also be downloaded from the website of BSE i.e. [www.bsesme.com](http://www.bsesme.com)

#### **Who can apply?**

In addition to the category of Applicants as set forth under “General Information Document for Investing in Public Issues-Category of Investors Eligible to participate in an Issue”, the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines, including:

- Indian national 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);
- Hindu Undivided Families or HUFs, in the individual name of the Karta. The Applicant should specify that the application is being made in the name of the HUF in the Application Form as follows: Name of Sole or First applicant: 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;
- 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;
- Mutual Funds registered with SEBI;
- Eligible NRIs on a repatriation basis or on a non-repatriation basis, subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this Issue;
- 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);
- FIIs and sub-accounts of FIIs registered with SEBI, other than a sub-account which is a foreign corporate or a foreign individual under the QIB Portion;
- Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares;
- Sub-accounts of FIIs registered with SEBI, which are foreign corporate or foreign individuals only under the Non Institutional applicant's category;
- Venture Capital Funds and Alternative Investment Fund (I) registered with SEBI; State Industrial Development Corporations;
- Foreign Venture Capital Investors registered with the SEBI;
- 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;
- Scientific and/or Industrial Research Organizations authorized to invest in equity shares;
- Insurance Companies registered with Insurance Regulatory and Development Authority, India;
- Provident Funds with minimum corpus of ₹ 25 Crores and who are authorized under their constitution to hold and invest in equity shares;
- Pension Funds with minimum corpus of ₹ 25 Crores and who are authorized under their constitution to hold and invest in equity shares;
- 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;
- Insurance funds set up and managed by army, navy or air force of the Union of India;
- Multilateral and bilateral development financial institution;

#### **Eligible QFIs;**

- Insurance funds set up and managed by army, navy or air force of the Union of India;
- Insurance funds set up and managed by the Department of Posts, India;
- Any other person eligible to apply in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them.

**Applications not to be made by:**

- Minors (except through their Guardians)
- Partnership firms or their nominations
- Foreign Nationals (except NRIs)
- Overseas Corporate Bodies

**As per the existing RBI regulations, OCBs cannot participate in this Issue.**

**MAXIMUM AND MINIMUM APPLICATION SIZE***For Retail Individual Applicants*

The Application must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, so as to ensure that the Application Price payable by the Applicant does not exceed ₹ 2,00,000. In case of revision of Applications, the Retail Individual Applicants have to ensure that the Application Price does not exceed ₹ 2,00,000.

*For Other than Retail Individual Applicants (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 thereafter. An Application cannot be submitted for more than the Net Issue 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 Applicant cannot withdraw its Application after the Issue Closing Date and is required to pay 100% QIB Margin upon submission of Application.

In case of revision in Applications, the Non-Institutional Applicants, 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.

Applicants 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 Prospectus.

The above information is given for the benefit of the Applicants. The Company and the LMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft 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.

**BASIS OF ALLOTMENT**

- Allotment will be made in consultation with the Stock Exchange. In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth here:
- The total number of Shares to be allocated to each category as a whole shall be arrived at on 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).
- 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).
- For applications where the proportionate allotment works out to less than [●] Equity shares the allotment will be made as follows:
  - a. Each successful applicant shall be allotted [●] Equity shares; and
  - b. 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.
- If the proportionate allotment to an applicant works out to a number that is not a multiple of [●] Equity shares, the applicant would be allotted Shares by rounding off to the nearest multiple of [●] Equity shares subject to a minimum allotment of [●]

Equity shares.

- If the Shares allotted 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. If as a result of the process of rounding off to the nearest multiple of [●] Equity shares, 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 Draft Prospectus.

The above proportionate allotment of shares in an Issue that is oversubscribed shall be subject to the reservation for small individual applicants as described below:

As the retail individual investor category is entitled to more than fifty percent on proportionate basis, the retail individual investors shall be allocated that higher percentage.

The balance net issue of shares to the public shall be made available for allotment to Individual applicants other than retails individual investors and Other investors, including Corporate Bodies/ Institutions irrespective of number of shares applied for.

The unsubscribed portion of the net issue to any one of the categories specified in a) or b) shall/may be made available for allocation to applicants in the other category, if so required.

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 Stock Exchange. The Executive Director / Managing Director of Stock Exchange in addition to Lead Manager and Registrar to the Public Issue 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.

#### *Participation by Associates /Affiliates of LM and the Market Makers*

The LM, Market Maker and the Underwriter, if any shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting and market making obligations. However, associates/affiliates of the LM/ Underwriters and Market Makers, if any may subscribe to Equity Shares in the Issue, either in the QIB Category or in the Non- Institutional Category as may be applicable to the Applicants, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients.

Promoter and Promoter Group and any persons related to our Promoters and Promoter Group cannot participate in the Issue.

#### **BIDS BY ELIGIBLE NRIs**

Eligible NRIs may obtain copies of Application Form from the members of the Syndicate, the sub- Syndicate, if applicable, the SCSBs, the Registered Brokers, RTAs and CDPs. Eligible NRI Bidders bidding on a repatriation basis by using the Non-Resident Forms should authorize their SCSB 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 to block their Non- Resident Ordinary ("NRO") accounts for the full Bid Amount, at the time of the submission of the Application Form.

Bids by Eligible NRIs and Category III FPIs for a Bid Amount of less than ₹ 200,000 would be considered under the Retail Category for the purposes of allocation and Bids for a Bid Amount exceeding ₹ 200,000 would be considered under the Non-Institutional Category for allocation in the Issue.

In case of Eligible NRIs bidding under the Retail Category through the UPI mechanism, depending on the nature of the investment whether repatriable or non-repatriable, the Eligible NRI may mention the appropriate UPI ID in respect of the NRE account or the NRO account, in the Application Form.

Eligible NRIs bidding on non-repatriation basis are advised to use the Application Form for residents (white in colour). Eligible NRIs bidding on a repatriation basis are advised to use the Application Form meant for Non- Residents (blue in colour). For details of restrictions on investment by NRIs, please refer to the chapter titled "Restrictions on Foreign Ownership of Indian Securities" beginning on page 206 of this Draft prospectus.

**BIDS BY HUFs**

Hindu Undivided Families or HUFs, 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 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 by HUFs may be considered at par with Bids from individuals.

**BIDS BY FPIS INCLUDING FIIS**

On January 7, 2014, SEBI notified the SEBI FPI Regulations pursuant to which the existing classes of portfolio investors namely 'foreign institutional investors' and 'qualified foreign investors' are subsumed under a new category namely 'foreign portfolio investors' or 'FPIs'. RBI on March 13, 2014 amended the FEMA Regulations and laid down conditions and requirements with respect to investment by FPIs in Indian companies.

*Option to Subscribe in the Issue*

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.

The Equity Shares, on allotment, shall be traded on the Stock Exchange in demat segment only.

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 Applicants:*

Our Company and the Lead Manager shall declare the Issue Opening Date and Issue Closing Date in the Draft Prospectus to be registered with the RoC and also publish the same in two national newspapers (one each in English and Hindi) and in a regional newspaper with wide circulation. This advertisement shall be in prescribed format.

Our Company will file the Draft Prospectus with the RoC at least 3 (three) days before the Issue Opening Date.

Copies of the Application Form along with Abridged Draft Prospectus and copies of the Draft Prospectus will be available with the, the Lead Manager, the Registrar to the Issue, and at the Registered Office of our Company. Electronic Application Forms will also be available on the websites of the Stock Exchange.

Any applicant who would like to obtain the Draft Prospectus and/ or the Application Form can obtain the same from our Registered Office.

Applicants who are interested in subscribing for the Equity Shares should approach Designated Intermediaries to register their applications.

Application Forms submitted directly to the SCSBs should bear the stamp of the SCSBs and/or the Designated Branch, or the respective Designated Intermediaries. Application Form submitted by Applicants whose beneficiary account is inactive shall be rejected.

The 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 application forms that do not contain such details are liable to be rejected.

Applicants applying directly through the SCSBs should ensure that the 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 Application Form, before entering the ASBA application into the electronic system.

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 Applicants, or in the case of application in joint names, the first Applicant (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 Application Form without PAN is liable to be rejected. The demat accounts of Applicants 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 Issue will be made into the accounts of such Applicants.

The Applicants may note that in case the PAN, the DP ID and Client ID mentioned in the 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 Application Form is liable to be rejected.

#### **Application by Indian Public including eligible NRIs applying on Non-Repatriation Basis.**

Application must be made only in the names of individuals, Limited Companies or Statutory Corporations/institutions and not in the names of Minors, Foreign Nationals, Non Residents Indian (except for those applying on non-repatriation), trusts, (unless the Trust is registered under the Societies Registration Act, 1860 or any other applicable Trust laws and is authorized under its constitution to hold shares and debentures in a Company), Hindu Undivided Families, Partnership firms or their nominees. In case of HUFs, application shall be made by the Karta of the HUF. An applicant in the Net Public Category cannot make an application for that number of Equity Shares exceeding the number of Equity Shares offered to the public. Eligible NRIs applying on a non-repatriation basis should authorize their SCSB to block their NRE/FCNR accounts as well as NRO accounts.

#### **Applications by eligible NRIs on Repatriation Basis.**

Application Forms have been made available for eligible NRIs at our registered office.

Eligible NRIs applicants may please note that only such applications as are accompanied by payment in free foreign exchange shall be considered for Allotment under reserved category. The Eligible NRIs who intend to get the amount blocked in the Non Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians and shall not use the forms meant for reserved category.

Under FEMA, general permission is granted to companies vide notification no. FEMA/20/2000 RB dated 03/05/2000 to issue securities to NRIs subject to the terms and conditions stipulated therein. Companies are required to file the declaration in the prescribed form to the concerned Regional Office of RBI within 30 (thirty) days from the date of issue of shares of allotment to NRIs on repatriation basis.

Allotment of Equity shares to Non-Resident Indians shall be subject to the prevailing Reserve Bank of India Guidelines. Sale proceeds of such investments in Equity shares will be allowed to be repatriated along with the income thereon subject to the permission of the RBI and subject to the Indian Tax Laws and regulations and any other applicable laws.

#### **Application by FPIs (including FIIs)**

In terms of the SEBI FPI Regulations, an FII who holds a valid certificate of registration from SEBI shall be deemed to be a registered FPI until the expiry of the block of three years for which fees have been paid as per the SEBI FII Regulations. An FII or sub-account may, subject to payment of conversion fees under the SEBI FPI Regulations participate in the Issue until the expiry of its registration with SEBI as an FII or sub-account, or if it has obtained a certificate of registration as an FPI, whichever is earlier. Accordingly, such FIIs can, subject to the payment of conversion fees under the SEBI FPI Regulations, participate in this Issue in accordance with Schedule 2 of the FEMA Regulations. An FII shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations.

In terms of the SEBI FPI Regulations, the purchase of Equity Shares and total holding by a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) must be below 10% of our post-issue Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. The aggregate limit of 24% may be increased up to the sectoral cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the Shareholders of our Company and subject to prior intimation to RBI. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs as well as holding of FIIs (being deemed FPIs) shall be included.

Further, pursuant to the Master Directions on Foreign Investment in India issued by the RBI dated January 4, 2018 (updated as on March 8, 2019) the investments made by a SEBI registered FPI in a listed Indian company will be reclassified as FDI if the total shareholding of such FPI increases to more than 10% of the total paid-up equity share capital on a fully diluted basis or 10% or more of the paid up value of each series of debentures or preference shares or warrants.

*FPIs are permitted to participate in the Issue 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 22 of the SEBI FPI Regulations, an FPI, other than Category III foreign portfolio investor and unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated, 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 that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms. Further, pursuant to a Circular dated November 24, 2014 issued by the SEBI, FPIs are permitted to issue offshore derivative instruments only to subscribers that (i) meet the eligibility criteria set forth in Regulation 4 of the SEBI FPI Regulations; and (ii) do not have opaque structures, as defined under the SEBI FPI Regulations. An FPI is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority. Further, where an investor has investments as FPI and also holds positions as an overseas direct investment subscriber, investment restrictions under the SEBI FPI Regulations; and

prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre-approved by the FPI.

#### **Application by SEBI registered Alternative Investment Fund (AIF), Venture Capital Funds and Foreign Venture Capital Investors**

The SEBI (Venture Capital) Regulations, 1996 and the SEBI (Foreign Venture Capital Investor) Regulations, 2000 prescribe investment restrictions on venture capital funds and foreign venture capital investors registered with SEBI. As per the current regulations, the following restrictions are applicable for SEBI registered venture capital funds and foreign venture capital investors: Accordingly, the holding by any individual venture capital fund registered with SEBI in one Company should not exceed 25% of the corpus of the venture capital fund; a Foreign Venture Capital Investor can invest its entire funds committed for investments into India in one Company. Further, Venture Capital Funds and Foreign Venture Capital investor can invest only up to 33.33% of the funds available for investment by way of subscription to an Initial Public Offer. The SEBI (Alternative Investment funds) Regulations, 2012 prescribes investment restrictions for various categories of AIF's. The category I and II AIFs cannot invest more than 25% of the corpus in one investee Company. A category III AIF cannot invest more than 10% of the corpus in one Investee Company. A Venture capital fund registered as a category I AIF, as defined in the SEBI Regulations, cannot invest more than 1/3rd of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI Regulations shall continue to be regulated by the VCF Regulations.

All FIIs and FVCIs should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of Bank charges and commission.

Our Company or the LM will not be responsible for loss, if any, incurred by the Applicant.

#### **Application by Mutual Funds**

As per the current regulations, the following restrictions are applicable for investments by Mutual fund:

No mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any Company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any Company's paid up share capital carrying voting rights.

With respect to Applications by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Application Form. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In case of a Mutual Fund, a separate Application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

The Application made by Asset Management Companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Applications are made.

Custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Applications are made.

#### **Applications by Limited Liability Partnerships**

In case of Applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the LLP Act, 2008 must be attached to the Application Form. Failing this, our Company reserves the right to reject any Application without assigning any reason thereof. Limited liability partnerships can participate in the Issue only through the ASBA process.

#### **Applications by Insurance Companies**

In case of applications made by insurance companies registered with IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Application Form. Failing this, our Company in consultation with the LM, reserves the right to reject any application, without assigning any reason thereof. The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2016 (the “IRDAI Investment Regulations”), as amended (the “IRDA Investment Regulations”), are broadly set forth below:

- 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;
- 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
- The industry sector in which the investee company belong to 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 points (i), (ii) and (iii) above, as the case may be.

The above limit of 10.00% shall stand substituted as 15.00% of outstanding equity shares (face value) for insurance companies with investment assets of ₹2,500,000 million or more and 12.00% of outstanding equity shares (face value) for insurers with investment assets of ₹500,000.00 million or more but less than ₹2,500,000.00 million.

Insurance companies participating in this Issue, shall comply with all applicable regulations, guidelines and circulars issued by IRDA from time to time.

#### **Applications under Power of Attorney**

In case of applications made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, FIIs, FPI's, Mutual Funds, insurance companies and provident funds with minimum corpus of ₹ 2,500 Lakhs (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 with the Application Form. Failing this, our Company reserves the right to accept or reject any application in whole or in part, in either case, without assigning any reason therefore.

With respect to the applications by VCFs, FVCIs and FPIs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may belong with a certified copy of their SEBI registration certificate must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject any application in whole or in part, in either case, without assigning any reason therefore.

In the case of Applications made pursuant to a power of attorney by Mutual Funds, a certified copy of the power of attorney or the relevant resolutions or authority, as the case may be, along with the certified copy of their SEBI registration certificate must be submitted along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefore.

In the case of Applications made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by the IRDA must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefore.

In the case of Applications made by to the power of attorney by FIIs, a certified copy of the power of attorney the relevant resolution or authority, as the case may be along with the certified copy of SEBI registration certificate must be lodged with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In the case of Applications made by provident funds, subject to applicable law, with minimum corpus of ₹ 2500 Lakhs and pension funds with minimum corpus of ₹ 2500 Lakhs, a certified copy of a certificate from a chartered accountant certifying the corpus of the

provident fund/pension fund must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

The Company in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Application Form, subject to such terms and conditions that the Company and the lead manager may deem fit.

#### **Application by Provident Funds/Pension Funds**

In case of Applications made by provident funds with minimum corpus of ₹ 2,500 lakhs (subject to applicable law) and pension funds with minimum corpus of ₹ 2,500 lakhs, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

The above information is given for the benefit of the Applicants. Our Company and the LM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of filing of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that the maximum number of Equity Shares applied for or maximum investment limits do not exceed the applicable limits under laws or regulations or as specified in this Draft Prospectus.

#### **Applications by Banking Companies**

In case of Applications 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 Application Form, failing which our Company reserve the right to reject any Application without assigning any reason. The investment limit for banking companies in non-financial services Companies as per the Banking Regulation Act, 1949, and the Master Direction – Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, is 10% of the paid-up share capital of the investee company or 10% of the banks' own paid-up share capital and reserves, whichever is less. Further, the aggregate investment in subsidiaries and other entities engaged in financial and non-financial services company cannot exceed 20% of the bank's paid-up share capital and reserves. A banking company may hold up to 30% of the paid-up share capital of the investee company with the prior approval of the RBI provided that the investee company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act.

#### **Applications by SCSBs**

SCSBs participating in the Issue are required to comply with the terms of the SEBI circulars 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 with the IRDA, a certified copy of certificate of registration issued by IRDA must SCSBs. 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.

**Applications by Systemically Important Non-Banking Financial Companies** In case of Applications made by Systemically Important Non-Banking Financial Companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, (ii) certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor, and (iii) such other approval as may be required by the Systemically Important Non-Banking Financial Companies, are required to be attached to the Application Form. Failing this, our Company in consultation with the LM, reserves the right to reject any Bid without assigning any reason thereof. Systematically Important NBFCs participating in the Issue shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

The investment limit for Systemically Important NBFCs shall be as prescribed by RBI from time to time. Issue Procedure for Application Supported by Blocked Account (ASBA) Applicants

In accordance with the SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants have to compulsorily apply through the ASBA Process. Our Company, and the 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 Prospectus. ASBA Applicants are advised to make their independent investigations and to ensure that the ASBA 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 Application Form, please refer the above-mentioned SEBI link.

#### **Method and Process of Applications**

- The Designated Intermediaries shall accept applications from the Applicants during the Issue Period.



- The Issue Period shall be for a minimum of three Working Days and shall not exceed 10 Working Days. The Issue Period may be extended, if required, by an additional three Working Days, subject to the total Issue Period not exceeding 10 Working Days.
- During the Issue Period, Applicants who are interested in subscribing to the Equity Shares should approach the Designated Intermediaries to register their applications.
- The Applicant cannot apply on another Application Form after applications on one Application Form have been submitted to the Designated Intermediaries. Submission of a second Application form to either the same or to another Designated Intermediaries will be treated as multiple applications and is liable to be rejected either before entering the application into the electronic collecting system or at any point prior to the allocation or Allotment of Equity Shares in this Issue.
- Designated Intermediaries accepting the application forms shall be responsible for uploading the application along with other relevant details in application forms on the electronic bidding system of stock exchange and submitting the form to SCSBs for blocking of funds (except in case of SCSBs, where blocking of funds will be done by respective SCSBs only). All applications shall be stamped and thereby acknowledged by the Designated Intermediaries at the time of receipt.

<b>For Applications submitted by investors to SCSB:</b>	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.
<b>For applications submitted by investors to intermediaries other than SCSBs:</b>	After accepting the application form, respective Designated 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 application forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Issue.

- The Designated Intermediaries will enter each application option into the electronic collecting system as a separate application and generate a TRS and give the same to the applicant.
- Upon receipt of the Application Form, submitted whether in physical or electronic mode, the Designated Intermediaries shall verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form, prior to uploading such applications with the Stock Exchange.
- If sufficient funds are not available in the ASBA Account, the Designated Intermediaries shall reject such applications and shall not upload such applications with the Stock Exchange.
- If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Application Amount mentioned in the Application Form and will enter each application option into the electronic collecting system as a separate application and generate a TRS for each price and demand option. The TRS shall be furnished to the Applicant on request.
- The Application Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment and consequent transfer of the Application Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal/ failure of the Issue or until withdrawal/ rejection of the Application Form, as the case may be. Once the Basis of Allotment is finalized, the Registrar shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful Applicants to the Public Issue Account. In case of withdrawal/ failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

#### **Terms of payment**

The entire Issue 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 Applicants.

SCSBs will transfer the amount as per the instruction of the Registrar to the Public Issue Account, the balance amount after transfer will be unblocked by the SCSBs.

The applicants should note that the arrangement with Bankers to the Issue or the Registrar is not prescribed by SEBI and has been established as an arrangement between our Company, Banker to the Issue and the Registrar to the Issue to facilitate collections from the Applicants.

#### **Payment mechanism**

The applicants shall specify the bank account number in their Application Form and the SCSBs shall block an amount equivalent to the Application Amount in the bank account specified in the 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 Applicants shall neither withdraw nor lower the size of their applications at any stage.

In the event of withdrawal or rejection of the Application Form or for unsuccessful Application Forms, the Registrar to the Issue 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 Issue and consequent transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the Application by the ASBA Applicant, 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 Issue 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 issue have to use UPI as a payment mechanism with Application Supported by Blocked Amount for making application.

#### **Unblocking of ASBA Account**

On the basis of instructions from the Registrar to the Issue, the SCSBs shall transfer the requisite amount against each successful ASBA Applicant to the ASBA Public Issue Account as per section 40 (3) of the Companies Act, 2013 and shall unblock excess amount, if any in the ASBA Account.

However, the Application Amount may be unblocked in the ASBA Account prior to receipt of intimation from the Registrar to the Issue by the Controlling Branch of the SCSB regarding finalization of the Basis of Allotment in the Issue, in the event of withdrawal/failure of the Issue or rejection of the ASBA Application, as the case maybe.

#### **Maximum and Minimum Application Size**

The applications in this Issue, being a fixed price issue, will be categorized into two;

##### ***For Retail Individual Applicants***

The Application must be for a minimum of [●] Equity Shares so as to ensure that the Application amount payable by the Applicant does not exceed ₹ [●].

For Other Applicants (Non-Institutional Applicants and QIBs):

The Application must be for a minimum of such number of Equity Shares such that the Application Amount exceeds ₹ 2,00,000 and in multiples of [●] Equity Shares thereafter.

A person shall not make an application in the net issue category for a number of specified securities that exceeds the total number of securities offered to the public. Further, the maximum application by non-institutional investors shall not exceed total number of specified securities offered in the issue less total number of specified securities offered in the issue to qualified institutional buyers.

Further, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws.

In case of revision in Applications, the Non-Institutional Applicants, 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.

Applicants are advised to ensure that any single Application form 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 the Draft Prospectus.

#### **Option to Receive Equity Shares in Dematerialized Form**

Investors should note that Allotment of Equity Shares to all successful Applicants will only be in the dematerialized form in compliance of the Companies Act, 2013.

Furnishing the details depository account is mandatory and applications without depository account shall be treated as incomplete and rejected.

The Equity Shares on Allotment shall be traded only in the dematerialized segment of the Stock Exchanges.

Applicants will not have the option of getting Allotment of the Equity Shares in physical form. Allottees shall have the option to re-materialize the Equity Shares, if they so desire, as per the provision of the Companies Act and the Depositories Act.

#### **Pre-Issue Advertisement**

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 Issue 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 issue have to use UPI as a payment mechanism with Application Supported by Blocked Amount for making application.

### Electronic Registration of Applications

- The Designated Intermediaries will register the applications using the on-line facilities of the Stock Exchange.
- 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 Issue Closing Date.
- The Designated Intermediaries shall be responsible for any acts, mistakes or errors or omissions and commissions in relation to,
  - the applications accepted by them,
  - the applications uploaded by them
  - the applications accepted but not uploaded by them or
  - with respect to applications by Applicants, applications accepted and uploaded by any Designated Intermediary other than SCSBs, the 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.
- Neither the Lead Manager nor our Company nor the Registrar to the Issue, shall be responsible for any acts, mistakes or errors or omission and commissions in relation to,
  - The applications accepted by any Designated Intermediaries
  - The applications uploaded by any Designated Intermediaries or
  - The applications accepted but not uploaded by any Designated Intermediaries

The Stock Exchange will issue an electronic facility for registering applications for the Issue. This facility will be available at the terminals of Designated Intermediaries and their authorized agents during the Issue 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 Issue 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 Lead Manager on a regular basis.

With respect to applications by Applicants, at the time of registering such applications, the Syndicate Bakers, DPs and RTAs shall forward a Schedule as per format given below along with the Application Forms to Designated Branches of the SCSBs for blocking of funds:

Sr. 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

- With respect to applications by Applicants, at the time of registering such applications, the Designated Intermediaries shall enter the following information pertaining to the Applicants into the on-line system:
  - Name of the Applicant;
  - IPO Name;
  - Application Form Number;
  - Investor Category;
  - PAN (of First Applicant, if more than one Applicant);
  - DP ID of the demat account of the Applicant;

- Client Identification Number of the demat account of the Applicant;
  - Number of Equity Shares Applied for;
  - Bank Account details;
  - Locations of the Banker to the Issue or Designated Branch, as applicable, and bank code of the SCSB branch where the ASBA Account is maintained; and.
  - Bank account number.
- In case of submission of the Application by an Applicant through the Electronic Mode, the Applicant shall complete the above-mentioned details and mention the bank account number, except the Electronic ASBA Application Form number which shall be system generated.
  - 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 accepted the 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.
  - Such acknowledgment will be non-negotiable and by itself will not create any obligation of any kind.
  - In case of Non-Retail Applicants and Retail Individual Applicants, applications would not be rejected except on the technical grounds as mentioned in the Draft Prospectus. The Designated Intermediaries shall have no right to reject applications, except on technical grounds.
  - 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 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 Prospectus, nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.
  - The Designated Intermediaries will be given time till 1.00 p.m. on the next working day after the Issue Closing Date to verify the DP ID and Client ID uploaded in the online IPO system during the Issue Period, after which the Registrar to the Issue 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.
  - The SCSBs shall be given one day after the Issue Closing Date to send confirmation of Funds blocked (Final certificate) to the Registrar to the Issue.
  - The details uploaded in the online IPO system shall be considered as final and Allotment will be based on such details for applications.

#### **Allocation of Equity shares**

- The Issue is being made through the Fixed Price Process wherein 52,000 Equity Shares shall be reserved for Market Maker and 4,48,000 Equity shares will be allocated on a proportionate basis to Retail Individual Applicants, subject to valid applications being received from Retail Individual Applicants at the Issue Price. The balance of the Net Issue will be available for allocation on proportionate basis to Non-Retail Applicants.
- Under- subscription if any, in any category, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company in consultation with the Lead Manager and the Stock Exchange.
- Allocation to Non-Residents, including Eligible NRIs, Eligible QFIs, FIIs and FVCIs registered with SEBI, applying on repatriation basis will be subject to applicable law, rules, regulations, guidelines and approvals.
- In terms of SEBI Regulations, Non-Retail Applicants shall not be allowed to either withdraw or lower the size of their applications at any stage.
- Allotment status details shall be available on the website of the Registrar to the Issue.

#### **Signing of Underwriting Agreement and Filing of Prospectus with ROC**

- Our company will enter into an Underwriting Agreement before filing of prospectus.

- A copy of the Prospectus will be filed with the RoC in terms of Section 26 of Companies Act, 2013.

#### **Pre-Issue Advertisement**

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 Issue 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 issue have to use UPI as a payment mechanism with Application Supported by Blocked Amount for making application. Subject to Section 30 of the Companies Act, 2013, our Company shall, after registering the Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in (i) English National Newspaper; (ii) Hindi National Newspaper and (iii) Regional Newspaper each with wide circulation.

#### **Issuance of Allotment Advice**

- Upon approval of the Basis of Allotment by the designated stock exchange, the Registrar shall upload on its website.
- On the basis of approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the allotment and credit of equity shares. Applicants are advised to instruct their Depository Participants to accept the Equity Shares that may be allotted to them pursuant to the issue.
- The Lead Manager or the Registrar to the Issue will dispatch an Allotment Advice to the Applicants who have been allocated Equity Shares in the Issue. The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract for the Allotment to such Applicant.
- Issuer will make the allotment of the Equity Shares and initiate corporate action for credit of shares to the successful applicants Depository Account within 4 working days of the Issue Closing date. The Issuer also ensures the credit of shares to the successful Applicants Depository Account is completed within one working Day from the date of allotment, after the funds are transferred from ASBA Public Issue Account to Public Issue account of the issuer.

#### **Designated Date**

On the Designated date, the SCSBs shall transfers the funds represented by allocations of the Equity Shares into Public Issue Account with the Bankers to the Issue.

The Company will issue 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 Issue 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.

#### **Advertisement Regarding Issue Price and Prospectus**

Our Company will issue a statutory advertisement after the filing of the Prospectus with the RoC. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the final derived Issue Price. Any material updates between the date of the Draft prospectus and the date of Prospectus will be included in such statutory advertisement.

#### **Minimum Subscription**

This Issue is not restricted to any minimum subscription level. This Issue 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 thirty days from the date of issue of the Draft Prospectus, or such other period as may be specified by the Securities and Exchange Board, the amount received under sub-section (1) shall be returned within such time and manner as maybe prescribed under that section. If the Issuer does not receive the subscription of 100% of the Issue through this issue document including devolvement of underwriters within Sixty Days from the date of closure of the Issue, the Issuer shall Forthwith refund the entire subscription amount received. If there is a delay beyond eight days after the Issuer become liable to pay the amount, the Issuer shall pay interest prescribed under section 39 of the Companies act, 2013.

#### **General Instructions**

##### **Do's:**

- Check if you are eligible to apply;
- Read all the instructions carefully and complete the applicable Application Form;
- Ensure that the details about the Depository Participant and the beneficiary account are correct as Allotment of Equity Shares will be in the dematerialized form only;
- All Bidders should submit their Bids through the ASBA process only;

- Ensure that your Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre;
- In case of joint Bids, ensure that First Bidder is the ASBA Account holder (or the UPI-linked bank account holder, as the case may be) and the signature of the First Bidder is included in the Application Form;
- Bidders (other than RIIs bidding through the non-UPI Mechanism) should submit the Application Form only at the Bidding Centers, i.e. to the respective member of the Syndicate at the Specified Locations, the SCSBs, the Registered Broker at the Broker Centers, the CRTA at the Designated RTA Locations or CDP at the Designated CDP Locations. RIIs bidding through the non-UPI Mechanism should either submit the physical Application Form with the SCSBs or Designated Branches of SCSBs under Channel I (described in the UPI Circulars) or submit the
- Application Form online using the facility of 3-in 1 type accounts under Channel II (described in the UPI Circulars);
- Ensure that you have mentioned the correct ASBA Account number (for all Bidders other than RIBs using the UPI Mechanism) in the Application Form;
- RIBs using the UPI Mechanism should ensure that the correct UPI ID (with maximum length of 45 characters including the handle) is mentioned in the Application Form;
- RIBs using UPI Mechanism through the SCSBs and mobile applications shall ensure that the name of the Bank appears in the list of SCSBs which are live on UPI, as displayed on the SEBI website. RIBs shall ensure that the name of the app and the UPI handle which is used for making the application appears in Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/COR/P/2019/85 dated July 26, 2019;
- RIBs bidding using the UPI Mechanism should ensure that they use only their own bank account linked UPI ID to make an application in the issue;
- RIBs submitting an Application Form using the UPI Mechanism, should ensure that: (a) the bank where the bank account linked to their UPI ID is maintained; and (b) the Mobile App and UPI handle being used for making the Bid is listed on the website of SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>;
- RIBs submitting a Bid-cum Application Form to any Designated Intermediary (other than SCSBs) should ensure that only UPI ID is included in the Field Number 7: Payment Details in the Application Form;
- RIBs using the UPI Mechanism shall ensure that the bank, with which it has its bank account, where the funds equivalent to the application amount are available for blocking is UPI 2.0 certified by NPCI;
- If the first applicant is not the account holder, ensure that the Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Application Form;
- Ensure that the signature of the First Bidder in case of joint Bids, is included in the Application Forms;
- QIBs and Non-Institutional Bidders should submit their Bids through the ASBA process only. Pursuant to SEBI circular dated November 01, 2018 and July 26, 2019, RII shall submit their bid by using UPI mechanism for payment;
- Ensure that the name(s) given in the 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 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 you request for and receive a stamped acknowledgement of the Application Form for all your Bid options;
- Ensure that you have funds equal to the Bid Amount in the Bank Account maintained with the SCSB before submitting the Application Form under the ASBA process or application forms submitted by RIIs using UPI mechanism for payment, to the respective member of the Syndicate (in the Specified Locations), the SCSBs, the Registered Broker (at the Broker Centers), the RTA (at the Designated RTA Locations) or CDP (at the Designated CDP Locations);
- Submit revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;
- Bidders, other than RIBs using the UPI Mechanism, shall ensure that they have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the ASBA Form to the relevant Designated Intermediaries
- Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, and (ii) 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 I.T. 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;
- Ensure that the Demographic Details are updated, true and correct in all respects;
- 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;
- Ensure that the category and the investor status is indicated;

- Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust etc., relevant documents are submitted;
- Ensure that Bids submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
- Bidders should note that in case the DP ID, Client ID and the PAN mentioned in their Application Form and entered into the online IPO system of the Stock Exchange by the relevant Designated Intermediary, as the case may be, do not match with the DP ID, Client ID and PAN available in the Depository database, then such Bids are liable to be rejected. Where the Application Form is submitted in joint names, ensure that the beneficiary account is also held in the same joint names and such names are in the same sequence in which they appear in the Application Form;
- Ensure that the Application Forms are delivered by the Bidders within the time prescribed as per the Application Form and the Draft prospectus;
- Ensure that you have mentioned the correct ASBA Account number or UPI ID in the Application Form;
- Ensure that you have mentioned the details of your own bank account for blocking of fund or your own bank account linked UPI ID to make application in the Public Issue;
- Ensure that on receipt of the mandate request from sponsor bank, you have taken necessary step in timely manner for blocking of fund on your account through UPI ID using UPI application;
- Ensure that you have correctly signed the authorization/undertaking box in the Application Form, or have otherwise provided an authorization to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Application Form at the time of submission of the Bid;
- Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Application Form; and
- 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 Application Form;
- RIBs shall 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 / Issue Closing Date.
- 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 authorize blocking of funds equivalent to the revised Bid Amount in the RIB's ASBA Account;
- RIBs using the UPI Mechanism, who have revised their Bids subsequent to making the initial Bid, should also approve the revised Mandate Request generated by the Sponsor Bank to authorize blocking of funds equivalent to the revised Bid Amount and subsequent debit of funds in case of Allotment in a timely manner; and
- Bids by Eligible NRIs and HUFs for a Bid Amount of less than ₹ 200,000 would be considered under the Retail Portion, and Bids for a Bid Amount exceeding ₹ 200,000 would be considered under the Non-Institutional Portion, for the purposes of allocation in the Issue.
- The 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:**

- Do not apply for lower than the minimum Application size;
- Do not apply for a price different from the price mentioned herein or in the Application Form;
- RIBs should not submit a Bid using the UPI Mechanism, unless the name of the bank where the bank account linked to your UPI ID is maintained, is listed on the website of the SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>;
- RIB should not submit a Bid using the UPI Mechanism, using a Mobile App or UPI handle, not listed on the website of SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>;
- Do not pay the Application Price in cash, cheque, by money order or by postal order or by stock invest;
- Do not send Application Forms by post, instead submit the Designated Intermediary only;
- Do not submit the Application Forms to any non-SCSB bank or our Company
- Do not apply on an Application Form that does not have the stamp of the relevant Designated Intermediary;
- Do not submit the application without ensuring that funds equivalent to the entire application Amount are blocked in the relevant ASBA Account;
- Do not apply for an Application Amount exceeding ₹2,00,000 (for applications by Retail Individual Applicants);
- Do not fill up the Application Form such that the Equity Shares applied for exceeds the Issue Size and/or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible

under the applicable regulations;

- Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground;
- Do not submit incorrect details of the DP ID, beneficiary account number and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;
- Do not submit applications on plain paper or incomplete or illegible Application Forms in a color prescribed for another category of Applicant;
- All Investors submit their applications through the ASBA process only except as mentioned in SEBI Circular No. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019 & SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021;
- Do not make Applications if you are not competent to contract under the Indian Contract Act, 1872, as amended; and
- Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Bids submitted by RIB Bidders using the UPI Mechanism;
- The Applications should be submitted on the prescribed Application form is liable to be rejected if the above instructions, as applicable, are not complied with.

#### **Other instructions for the Bidders Joint Bids**

In the case of Joint Bids, the Bids should be made in the name of the Bidder whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such First Bidder would be required in the Application Form and such First Bidder would be deemed to have signed on behalf of the joint holders.

All communications may be addressed to such Bidders and may be dispatched to his or her address as per the Demographic Details received from the Depositories.

#### **Multiple Bids**

A Bidder should submit only one Application Form. Submission of a second Application Form to either the same or to another member of the Syndicate, the sub-Syndicate, SCSB, Registered Broker, RTA and CDP and duplicate copies of Application Forms bearing the same application number shall be treated as multiple Bids and are liable to be rejected.

#### **Investor Grievance**

In case of any pre-Issue or post-Issue related problems regarding demat credit/refund orders/unblocking etc., the Investors can contact the Compliance Officer of our Company.

#### **Nomination Facility to Bidders**

Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act, 2013. In case of allotment of the Equity Shares in dematerialized form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Bidders should inform their respective DP.

#### **Submission of Bids**

During the Bid/ Issue Period, Bidders may approach any of the Designated Intermediaries to register their Bids.

In case of Bidders (excluding NIIs) Bidding at Cut-off Price, the Bidders may instruct the SCSBs to block Bid Amount based on the Cap Price less Discount (if applicable).

For Details of the timing on acceptance and upload of Bids in the Stock Exchange Platform Bidders are requested to refer to the Draft prospectus.

#### **GROUNDS OF TECHNICAL REJECTIONS**

Bidders are advised to note that SEBI, vide Circular No. CIR/CFD/14/2012 dated October 04, 2012 has introduced an additional mechanism for investors to submit Application forms in public issues using the stock broker (broker) network of Stock Exchanges, who may not be syndicate members in an issue with effect from January 01, 2013. The list of Broker Centre is available on the websites of BSE i.e. www.bseindia.com and NSE 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 Issue and Share Transfer Agent and Depository Participants registered with SEBI to accept the Application forms in Public Issue with effect front January 01, 2016. The List of ETA and DPs centres for collecting the application is available on the websites of BSE i.e. www.bseindia.com and NSE i.e. www.nseindia.com

#### **Applicant'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 Application Form is mandatory and applications that do not contain such details are liable to be rejected.



**Please note that, furnishing the details of depository account is mandatory and applications without depository account shall be treated as incomplete and rejected.**

Applicants should note that on the basis of name of the Applicants, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Application Form as entered into the Stock Exchange online system, the Registrar to the Issue will obtain from the Depository the demographic details including address, Applicant's bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Bank Account details would be used for giving refunds to the Applicants. Hence, Applicants are advised to immediately update their Bank Account details as appearing on the records of the depository participant. Please note that failure to do so could result in delays in dispatch/ credit of refunds to Applicants at the Applicants' sole risk and neither the Lead Manager nor the Registrar to the Issue or the Escrow Collection Banks or the SCSB nor the Company shall have any responsibility and undertake any liability for the same. Hence, Applicants should carefully fill in their Depository Account details in the Application Form. These Demographic Details would be used for all correspondence with the Applicants including mailing of the Allotment Advice. The Demographic Details given by Applicants in the Application Form would not be used for any other purpose by the Registrar to the Issue.

By signing the Application Form, the Applicant would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

### **Submission of Application Form**

All 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 application form, in physical or electronic mode, respectively.

### **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 SME Platform of BSE where the Equity Shares are proposed to be listed are taken within 6 (Six) working days from Issue Closing Date.

In accordance with the Companies Act, the requirements of the Stock Exchange and the SEBI Regulations, the Company further undertakes that:

- Allotment and Listing of Equity Shares shall be made within 6 (Six) days of the Issue Closing Date;
- Giving of Instructions for refund by unblocking of amount via ASBA not later than 4 (four) working days of the Issue Closing Date, would be ensured; and
- 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.

### **Right to Reject Applications**

In case of QIB Applicants, the Company in consultation with the LM may reject Applications provided that the reasons for rejecting the same shall be provided to such Applicant in writing. In case of Non-Institutional Applicants, Retail Individual Applicants who applied, the Company has a right to reject Applications based on technical grounds.

### **Grounds for Rejection**

- Applicants are advised to note that Applications are liable to be rejected inter alia on the following technical grounds:
- Amount paid does not tally with the amount payable for the highest value of Equity Shares applied for;
- In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;
- Application by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;

- PAN not mentioned in the Application Form;
- GIR number furnished instead of PAN;
- Applications for lower number of Equity Shares than specified for that category of investors;
- Applications at a price other than the Fixed Price of the Issue;
- Applications for number of Equity Shares which are not in multiples of [●];
- The amounts mentioned in the Application Form/Application Form does not tally with the amount payable for the value of the Equity Shares Bid/Applied for;
- Bids for lower number of Equity Shares than the minimum specified for that category of investors;
- Category not ticked;
- Multiple Applications as defined in the Draft Prospectus;
- Applications made using a third party bank account or using third party UPI ID linked bank account
- In case of Application under power of attorney or by limited companies, corporate, trust etc., where relevant documents are not submitted;
- Applications accompanied by Stock invest/ money order/ postal order/ cash;
- Signature of sole Applicant is missing;
- Application Forms are not delivered by the Applicant within the time prescribed as per the Application Forms, Issue Opening Date advertisement and the Draft Prospectus and as per the instructions in the Draft Prospectus and the Application Forms;
- In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Applicants (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's account number;
- Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Applications by OCBs;
- Applications by US persons other than in reliance on Regulations or "qualified institutional buyers" as defined in Rule 144A under the Securities Act;
- Applications not duly signed;
- Applications by any persons outside India if not in compliance with applicable foreign and Indian laws;
- Applications by any person that do not comply with the securities laws of their respective jurisdictions are liable to be rejected;
- Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- Applications by persons who are not eligible to acquire Equity Shares of the Company in terms of all applicable laws, rules, regulations, guidelines, and approvals;
- Applications by Applicants, other Retail Individual Applicants, not submitted through ASBA process and Applications by Retail Individual Applicants not submitted through ASBA process or the UPI process
- Applications or revisions thereof by QIB Applicants, Non Institutional Applicants where the Application Amount is in excess of ₹ 2,00,000, received after 3.00 pm on the Issue Closing Date;
- Applications not containing the details of Bank Account and/or Depositories Account.
- In case of Retail Individual Applicants applying through the UPI mechanism, details of UPI ID, not provided in the Application form.
- For details of instruction in relation to the Application Form, Applicants may refer to the relevant section of GID and UPI Circular.

#### **Equity Shares in Dematerialized Form with NSDL or CDSL**

- An applicant applying for Equity Shares in demat form must have at least one beneficiary account with 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.
- Equity Shares allotted to a successful applicant will be credited in electronic form directly to the Applicant's beneficiary account (with the Depository Participant).
- 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 their Depository Participant.
- It may be noted that Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchange platform where our Equity Shares are proposed to be listed has electronic connectivity with CDSL and NSDL.

- The trading of the Equity Shares of our Company would be only in dematerialized form.

#### Communications

Registrar to the Issue quoting the full name of the sole or First Applicant, Application Form number, Applicants Depository Account Details, number of Equity Shares applied for, date of Application form, name and address of the Banker to the Issue where the Application was submitted and a copy of the acknowledgement slip.

**BIDDERS SHOULD NOTE THAT IN CASE THE PAN, THE DP ID AND CLIENT ID MENTIONED IN THE APPLICATION FORM AND ENTERED INTO THE ELECTRONIC APPLICATION SYSTEM OF THE STOCK EXCHANGE BY THE BIDS COLLECTING INTERMEDIARIES DO NOT MATCH WITH PAN, THE DP ID AND CLIENT ID AVAILABLE IN THE DEPOSITORY DATABASE, THE APPLICATION FORM IS LIABLE TO BE REJECTED.**

#### EQUITY SHARES IN DEMATERIALISED FORM WITH NSDL OR CDSL

To enable all shareholders of the Company to have their shareholding in electronic form, the Company has signed the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- Agreement dated December 8, 2022 among NDSL, the Company and the Registrar to the Issue; and
- Agreement dated September 2, 2022 among CDSL, the Company and the Registrar to the Issue.
- The Company's shares bear ISIN no INE0N5O01013.

<p>Ms. Ankita Chopra          Sonalis Consumer Products Limited          Unit No. 16, Ground Level, Loft &amp; Basement Sethia          Industrial Estate, Tungareshwar Phata Vasai East Palghar          Thane, Maharashtra- 410208, India.          Telephone: +91-9867611444          Website: www.appetitefood.in          Email id: cs@appetitefood.in</p>	<p>PURVA SHAREGISTRY (INDIA) PRIVATE LIMITED          9, Shiv Shakti Industrial Estate, J. R. Boricha Marg, Opp.          Kasturba Hospital Lane,          Lower Parel (E) Mumbai – 400011, Maharashtra, India          Telephone: 022 2301 2518 / 8261,          Email/ Investor Grievance E-mail ID:          support@purvashare.com          Contact Person: Mr. Rajesh Shah/ Ms. Purva Shah/ Ms.          Deepali Dhuri          Website: www.purvashare.com</p>
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#### Disposal of Applications and Application Moneys and Interest in Case of Delay

The Company shall ensure the dispatch of Allotment advice, instructions to SCSBs and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchange within one working day of the date of Allotment of Equity Shares.

The Company shall use best efforts that all steps for completion of the necessary formalities for listing and commencement of trading at SME Platform of BSE where the Equity Shares are proposed to be listed are taken within 6 (six) working days of closure of the issue.

#### 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—

- Makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
- 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
- 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."

Shall be liable for action under section 447 of Companies Act, 2013 and shall be treated as Fraud.

#### Procedure and Time of Schedule for Allotment and Demat Credit

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall upload the same on its website. On the basis of the 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 Participant to accept the Equity Shares that may be allotted to them pursuant to the Issue.

Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Bidders who have been Allotted Equity Shares in the Issue.

- a) The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.
- b) Issuer will ensure that: (i) the Allotment of Equity Shares; and (ii) initiate corporate action for credit of shares to the successful Bidders Depository Account which will be completed within 4 Working Days of the Issue Closing Date. The Issuer also ensures the credit of shares to the successful Bidder depository account is completed within one Working Day from the date of Allotment, after the funds are transferred from the Public Issue Account on the Designated Date.

### **Basis of Allotment**

Allotment will be made in consultation with BSE (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:

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).

For applications where the proportionate allotment works out to less than [●] equity shares the allotment will be made as follows:

Each successful applicant shall be allotted [●] equity shares; and

The successful applicants out of the total applicants for that category shall be determined by the 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 (2) above.

If the proportionate allotment to an applicant works out to a number that is not a multiple of [●] equity shares, the applicant would be allotted Shares by rounding off to the lower nearest multiple of [●] equity shares subject to a minimum allotment of [●] equity shares.

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.

Since present issue is a fixed price issue, the allocation in the net issue to the public category in terms of Regulation 253 of the SEBI (ICDR) Regulations shall be made as follows:

Minimum of 50% of the net issue of shares to the Public (i.e. 4,48,000 Equity Shares) shall be made available for allotment to retail individual investors; and

The balance net issue of shares to the public (i.e. 4,44,000 Equity Shares) shall be made available for allotment to Non-Institutional Investors, including Qualified Institution Buyers, Corporate Bodies/ Institutions.

The unsubscribed portion in either of the categories specified in (a) or (b) above may be allocated to the applicants in the other category. Explanation: If the retails individual investor category is entitled to more than allocated portion on proportionate basis, the retails individual investors shall be allocated that higher percentage.

Our Company shall ensure that out of total allocated shares to the Category “Non-Institutional Investors, including Qualified Institution Buyers, Corporate Bodies/ Institutions”, at least 15% of net issue of shares to the public shall be allocated to Non- Institutional Bidders will be made at the Issue Price.

The Net Issue size less Allotment to Retail Investors shall be available for Allotment to Non- Institutional Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price. If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue 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 at or above the Issue Price, Allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. For the method of proportionate Basis of Allotment refer below.

Names of entities responsible for finalizing the Basis of Allotment in the event of Under Subscription

In the event of under subscription in the Issue, the obligations of the Underwriters shall get triggered in terms of the Underwriting Agreement. The Minimum subscription of 100% of the Issue 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 SME Platform of BSE – the Designated Stock Exchange in addition to Lead Manager and Registrar to the Public Issue 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 Issue.

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.

## **Undertakings by Our Company**

*We undertake as follows:*

- That the complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily;
- That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange where the Equity Shares are proposed to be listed within 6 (six) Working days of closure of the Issue;
- That if the Company do not proceed with the Issue, the reason thereof shall be given as a public notice to be issued by our Company within two days of the Issue Closing Date. The public notice shall be issued in the same newspapers where the pre-Issue advertisements were published. The stock exchange on which the Equity Shares are proposed to be listed shall also be informed promptly;
- That our Promoter's contribution in full has already been brought in;
- That no further issue of Equity Shares shall be made till the Equity Shares offered through the Draft Prospectus are listed or until the Application monies are unblocked on account of non-listing, under subscription etc. and
- That if the Company withdraws the Issue after the Issue Closing Date, our Company shall be required to file a fresh offer document with the ROC/ SEBI, in the event our Company subsequently decides to proceed with the Issuer;
- That funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by us;
- That where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within the specified period of closure of the Issue giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- That Company shall not have recourse to the Issue proceeds until the approval for trading of the Equity Shares from the Stock Exchange where listing is sought has been received;
- Adequate arrangements shall be made to collect all Application Forms from the Applicants;
- That the certificates of the securities/refund orders to Eligible NRIs shall be dispatched within specified time; and
- That none of the promoters or directors of the company is willful defaulter or Fraudulent Borrower under Section 5(c) of SEBI (ICDR) Regulations, 2018.

## **Utilization of Issue Proceeds**

*The Board of Directors of our Company certifies that:*

- All monies received out of the 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 Issue referred above shall be disclosed and continue to be disclosed till the time any part of the issue proceeds remains unutilized, under an appropriate head in the balance sheet of our company indicating the purpose for which such monies have been utilized;
- Details of all unutilized monies out of the Issue, if any shall be disclosed under an appropriate separate head in the balance sheet of our company indicating the form in which such unutilized monies have been invested and
- Our Company shall comply with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in relation to the disclosure and monitoring of the utilization of the proceeds of the Issue.
- Our Company shall not have recourse to utilize the Issue Proceeds until the approval for listing and trading of the Equity Shares from the Stock Exchange where listing is sought has been received.
- Our Company undertakes that the complaints or comments received in respect of the Issue shall be attended by our Company expeditiously and satisfactorily.

## 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 DIPP has issued consolidated FDI Policy Circular of 2020 (“**FDI Policy 2020**”), which with effect from October 15, 2020, 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 from time to time and therefore, FDI Policy 2020 will be valid until the DIPP issues an updated circular.

The RBI issues Master Directions on Foreign Investment in India and updates the same from time to time. Presently, FDI in India is being governed by Master Directions on Foreign Investment No. RBI/FED/2017-18/60 FED Master Direction No. 11/2017-18 dated January 4, 2018, as updated from time to time by RBI. In terms of the Master Directions, 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 Directions.

Under the current applicable FDI Policy of 2020, foreign direct investment in micro and small enterprises is subject to sectoral caps, entry routes and other sectoral regulations. At present our Company is involved in the business of manufacturing. 100% foreign direct investment through automatic route is permitted in the sector in which our Company operates.

At Present, the FEMA (Transfer or Issue of Security by Persons Resident outside India) Regulations, 2017 has been superseded by FEMA (Non -Debt Instruments) Rules, 2019 dated October 17, 2019 (FEMA Non-Debt Rules). The sectoral cap given in the FEMA Non-Debt Rules shall come into effect from April 01, 2020.

As per the extant policy of the Government of India, OCBs cannot participate in this Issue. 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 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 Issue provided it obtains a prior approval from the RBI. On submission of such approval along with the Application Form, the OCB shall be eligible to be considered for share allocation. An erstwhile OCB may transfer equity instruments subject to the directions issued by the Reserve Bank of India from time to time in this regard. 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 issue, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines.

### **Investment conditions/restrictions for overseas entities**

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, Foreign Portfolio Investors (FPIs), Non-Resident Indian (NRI)/ Overseas Citizen of India (OCI), Limited Liability Partnerships (LLPs), Foreign Venture Capital Investor (FVCI), Investment Vehicles and Depository Receipts (DRs) under Schedule I, II, III, VI, VII, VIII and IX of the FEMA Non Debt Rules. Any equity

holding by a person resident outside India resulting from the conversion of any debt instrument under any arrangement shall be reckoned as a foreign investment under the sectoral cap.

#### **(i) Investment by FPIs under Portfolio Investment Scheme (PIS):**

Aggregate FPI upto 49% of the paid up capital on a fully diluted basis or the sectoral or statutory cap, whichever is lower, will not be subject to either Government approval or compliance of sectoral conditions as the case may be, if such investment does not result in

the transfer of ownership or control to persons resident outside India and other investments by a person resident outside India shall be subject to the conditions of Government approval and compliance of sectoral conditions as laid down in the FEMA Non Debt Rules.

Other foreign investments will be subject to conditions of Government approval and compliance with sectoral conditions as per FDI Policy 2020 till the time the new sectoral cap as mentioned in the FEMA Non-Debt Rules comes into effect. The total foreign investment, direct and indirect, in the issuing entity, will not exceed the sectoral/statutory cap.

With regards to purchase/sale of equity instruments of an Indian company by an FPI under PIS, the total holding by each FPI or an investor group shall be less than 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 % and 24 % will be called the individual and aggregate limit, respectively.

With effect from the April 01, 2020, the aggregate limit shall be the sectoral caps applicable to the Indian company as laid out in sub-paragraph (b) of paragraph 3 of Schedule I of the FEMA Non-Debt Rules, with respect to its paid-up equity capital on a fully diluted basis or such same sectoral cap percentage of paid up value of each series of debentures or preference shares or share warrants.

The aggregate limit as provided in sub-paragraph (b) of paragraph 3 of Schedule I may be decreased by the Indian company concerned to a lower threshold limit of 24% or 49% or 74% as deemed fit, with the approval of its Board of Directors and its General Body through a resolution and a special resolution, respectively before March 31, 2020. Further, the Indian company which has decreased its aggregate limit to 24% or 49% or 74%, may increase such aggregate limit to 49% or 74% or the sectoral cap or statutory ceiling respectively as deemed fit, with the approval of its Board of Directors and its General Body through a resolution and a special resolution, respectively. Also, once the aggregate limit has been increased to a higher threshold, the Indian company cannot reduce the same to a lower threshold. The aggregate limit with respect to an Indian company in a sector where FDI is prohibited shall be 24 %.

**(ii) Investment by NRI or OCI on repatriation basis:**

The purchase/sale of equity instruments as defined under the FEMA Non-Debt Rules of a listed Indian company on repatriation basis on a recognized stock exchange in India by NRI or OCI is allowed subject to certain conditions under Schedule III of the FEMA Non-Debt Rules that is:

The total holding by any individual NRI or OCI shall not exceed 5 % of the total paid-up equity capital on a fully diluted basis or should not exceed 5 % 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 warrants; provided that the aggregate ceiling of 10 % may be raised to 24 % 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**

The Schedule IV of the FEMA Non-Debt Rules deals with Purchase/ sale of equity Instruments or convertible notes or units or contribution to the capital of a LLP by a NRI or OCI on non-repatriation basis. It shall be deemed to be domestic investment at par with the investment made by residents. This is further subject to remittance channel restrictions by RBI.

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.

Further, no issue to the public (as defined under Directive 2003/71/EC, together with any amendments) and implementing measures thereto, (the “Prospectus Directive”) has been or will be made in respect of the Issue in any member State of the European Economic Area which has implemented the Prospectus Directive except for any such issue made under exemptions available under the Prospectus Directive, provided that no such issue shall result in a requirement to publish or supplement a prospectus pursuant to the Prospectus Directive, in respect of the Issue.

Any forwarding, distribution or reproduction of this document in whole or in part may be unauthorized. Failure to comply with this directive may result in a violation of the Securities Act or the applicable laws of other jurisdictions. Any investment decision should be made on the basis of the final terms and conditions and the information contained in this Draft prospectus.

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 Application may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Applicants. Our Company and the 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 prospectus. Applicants 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.



TABLE F

THE COMPANIES ACT, 2013

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

SONALIS CONSUMER PRODUCTS LIMITED

*Interpretation*

**I.** (1) In these regulations—

(a) “the Act” means the Companies Act, 2013,

(b) “the seal” means the common seal of the company.

(2) Unless the context otherwise requires, words or expressions contained in these regulations shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these regulations become binding on the company.

*Share capital and variation of rights*

**II. 1**

Subject to the provisions of the Act and these Articles, the shares in the capital of the company 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.

(i) Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within one month after the application for the registration of transfer or transmission or within such other period as the conditions of issue shall be provided,—

(a) one certificate for all his shares without payment of any charges; or

(b) several certificates, each for one or more of his shares, upon payment of twenty rupees for each certificate after the first.

(ii) Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.

(i) In respect of any 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 for a share to one of several joint holders shall be sufficient delivery to all such holders.

1. (i) If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back 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 is lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of twenty rupees for each certificate.

(ii) The provisions of Articles (2) and (3) shall *mutatis mutandis* apply to debentures of the company.

4. Except as required by law, no person shall be recognised by the company as holding any share upon any trust, and the company shall not be bound by, or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

5 (i) The company may exercise the powers of paying commissions conferred by sub-section (6) of section 40, provided that the rate per cent. or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rule made thereunder.

(ii) The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of section 40.

(iii) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.

6. (i) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of section 48, and whether or not the company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.

(ii) To every such separate meeting, the provisions of these regulations relating general meetings shall *mutatis mutandis* apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.

7. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further share ranking *pari passu* therewith

8. Subject to the provisions of section 55, any preference shares may, with the sanction of an ordinary resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the company before the issue of the shares may, by special resolution, determine.

#### *Lien*

1. (i) The company shall have a first and paramount lien—

(a) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and

(b) on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the company:

Provided that the Board of directors may at any time declare any share to wholly or in part exempt from the provisions of this clause.

(ii) The company's lien, if any, on a share shall extend to all dividend bonuses declared from time to time in respect of such shares.

2. The company may sell, in such manner as the Board thinks fit, any shares on which the company has a lien:

Provided that no sale shall be made—

(a) unless a sum in respect of which the lien exists is presently payable; or

(b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.

12. (i) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.

(ii) The purchaser shall be registered as the holder of the shares comprised in any such transfer.

(iii) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

**13.** (i) The proceeds of the sale shall be received by the company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.

(ii) The residue, if any, shall, subject to a like 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.

#### *Calls on shares*

**13.** (i) The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times:

Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call

(ii) Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the company, at the time or times and place so specified, the amount called on his shares.

(iii) A call may be revoked or postponed at the discretion of the Board

**14.** A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by instalments.

**15.** The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

**16.** (i) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent. per annum or at such lower rate, if any, as the Board may determine.

(ii) The Board shall be at liberty to waive payment of any such interest wholly or in part.

**17.** (i) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.

(ii) In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

**18.** The Board—

(a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and

(b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the company in general meeting shall otherwise direct, twelve per cent. per annum, as may be agreed upon between the Board and the member paying the sum in advance.

#### *Transfer of shares*

**19.** (i) The instrument of transfer of any share in the company shall be executed by or on behalf of both the transferor and transferee.

(ii) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.

**20.** The Board may, subject to the right of appeal conferred by section 58 decline to register—

(a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or

(b) any transfer of shares on which the company has a lien.

**21.** The Board may decline to recognise any instrument of transfer unless—

(a) the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56;

(b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and

(c) the instrument of transfer is in respect of only one class of shares.

**22.** On giving not less than seven days' previous notice in accordance with section 91 and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:

Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.

#### *Transmission of shares*

**23.** (i) 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 shareholder, shall be the only persons recognized by the company as having any title to his interest in the shares.

(ii) Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.

**24.** (i) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either—

(a) to be registered himself as holder of the share; or

(b) to make such transfer of the share as the deceased or insolvent member could have made.

(ii) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.

**25.** (i) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the company a notice in writing signed by him stating that he so elects.

(ii) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.

(iii) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.

**26.** A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company:

Provided 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, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have complied with.

### *Forfeiture of shares*

- 27.** If a member fails to pay any call, or instalment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.
- 28.** The notice aforesaid shall—
- (a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and
  - (b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.
- 29.** If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect
- 30.** (i) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.
- (ii) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.
- 31.** (i) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the company all monies which, at the date of forfeiture, were presently payable by him to the company in respect of the shares.
- (ii) The liability of such person shall cease if and when the company shall have received payment in full of all such monies in respect of the shares.
- 32.** (i) A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the company, and that a share in the company has been duly forfeited 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 share;
- (ii) The company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;
  - (iii) The transferee shall thereupon be registered as the holder of the share; and
  - (iv) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.
- 33.** The provisions of these regulations as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

### *Alteration of capital*

- 34.** The company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.
- 35.** Subject to the provisions of section 61, the company may, by ordinary resolution,
- (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;

(b) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;

(c) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;

(d) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.

**36.** Where shares are converted into stock,

(a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations 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.

(b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

(c) such of the regulations of the company as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder” in those regulations shall include “stock” and “stock-holder” respectively.

**37.** The company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law,

(a) its share capital;

(b) any capital redemption reserve account; or

(c) any share premium account.

*Capitalisation of profits*

**38.** (i) The company in general meeting may, upon the recommendation of the Board, resolve—

(a) that it is desirable to capitalise 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 (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

(ii) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii), either in or towards—

(A) paying up any amounts for the time being unpaid on any shares held by such members respectively;

(B) 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;

(C) partly in the way specified in sub-clause (A) and partly in that specified in sub-clause (B);

(D) A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares;

(E) The Board shall give effect to the resolution passed by the company in pursuance of this regulation.

39. (i) Whenever such a resolution as aforesaid shall have been passed, the Board shall—

(a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares if any; and

(b) generally do all acts and things required to give effect thereto.

(ii) The Board shall have power—

(a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and

(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 capitalisation, or as the case may require, for the payment by the company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;

(iii) Any agreement made under such authority shall be effective and binding on such members.

#### *Buy-back of shares*

40. 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.

#### *General meetings*

41. All general meetings other than annual general meeting shall be called extraordinary general meeting.

42. (i) The Board may, whenever it thinks fit, call an extraordinary general meeting.

(ii) If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.

#### *Proceedings at general meetings*

43. (i) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.

(ii) Save as otherwise provided herein, the quorum for the general meetings shall be as provided in section 103.

44. The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company.

45. If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.

46. If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting.

#### *Adjournment of meeting*

47. (i) 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.

(ii) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

(iii) 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.

(iv) 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.

### ***Voting rights***

**48.** Subject to any rights or restrictions for the time being attached to any class or classes of shares,

(a) on a show of hands, every member present in person shall have one vote; and

(b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.

**49.** A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.

**50.** (i) 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.

(ii) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.

**51.** A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, 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.

**52.** Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.

**53.** No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the company have been paid.

**54.** (i) 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.

(ii) Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.

### ***Proxy***

**55.** 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.

**56.** An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.

**59.** A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:

Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.



### ***Board of Directors***

**58.** The Following are the first Directors of the Company:

1. Prakash Jhangiani
2. Sonali Kocharekar
3. Smita Shah

**59.** (i) The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.

(ii) In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them—

(a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or

(b) in connection with the business of the company.

**60.** The Board may pay all expenses incurred in getting up and registering the company.

**61.** The company may exercise the powers conferred on it by section 88 with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that (section) make and vary such regulations as it may think fit respecting the keeping of any such register.

**62.** All cheques, promissory notes, drafts, *hundis*, bills of exchange and other negotiable instruments, and all receipts for monies paid to the company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.

**63.** Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.

**64.** (i) Subject to the provisions of section 149, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the articles.

(ii) Such person shall hold office only up to the date of the next annual general meeting of the company but shall be eligible for appointment by the company as a director at that meeting subject to the provisions of the Act.

### ***Proceedings of the Board***

**65.** (i) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.

(ii) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.

**66.** (i) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.

(ii) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.

**67.** 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.

**68.** (i) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.

(ii) 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 directors present may choose one of their number to be Chairperson of the meeting.

**69.** (i) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit.

(ii) Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.

**70.** (i) A committee may elect a Chairperson of its meetings.

(ii) 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.

**71.** (i) A committee may meet and adjourn as it thinks fit.

(ii) 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.

**72.** All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.

**73.** Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.

#### ***Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer***

**74.** Subject to the provisions of the Act,

(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;

(ii) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.

**75.** 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.

#### ***The Seal***

**76.** (i) The Board shall provide for the safe custody of the seal.

(ii) 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 authorised 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.

### ***Dividends and Reserve***

77. The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.
78. 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.
79. (i) 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 the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, think fit.
- (ii) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.
80. (i) 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.
- (ii) 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.
- (iii) 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.
81. The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the company on account of calls or otherwise in relation to the shares of the company.
82. (i) Any dividend, interest or other monies payable in cash in respect of shares maybe 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.
- (ii) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.
83. Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.
84. 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.
85. No dividend shall bear interest against the company.

### ***Accounts***

86. (i) 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.
- (ii) 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.

### ***Winding up***

87. Subject to the provisions of Chapter XX of the Act and rules made thereunder—

(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.

(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.

(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.

### **Indemnity**

88. Every officer of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal.

We, the several partners whose names and address are subscribed below, are desirous of being formed into a company in pursuance of this Article of Association.

<b>S. No</b>	<b>Name, Address, description and Occupation of the subscriber</b>	<b>Signature of the subscriber</b>	<b>Names, Address, description &amp; Occupation of the Witness</b>
01	Mrs. Sonali Nilesh Kocharekar 406, D-1 Mahindra Colony, Shri Krishna Nagar, Near National Park, Borivali East, Mumbai- 400 066, Description: Individual Occupation: Business	Sd/-	<p style="text-align: center;">Witness to all subscribers:-</p> <p style="text-align: center;">Name: Radheysham Falod s/o: Late Shri Ridhikaran Falod Res: " 108, Laxmi Plaza, Laxmi Industrial Estate, New Link Road, Andheri (W), Mumbai – 400053 Occupation: Chartered Accountant</p>
02	Mrs. Smita Shashikant Shah D/504, Yudhistir CHS, Link Road, N L Complex, Near Anand Nagar, Dahisar East, Mumbai – 400 068 Description: Individual Occupation: Business	Sd/-	
03	Mr. Shashikant Chimanlal Shah D/504, Yudhistir CHS, Link Road, N L Complex, Near Anand Nagar, Dahisar East, Mumbai – 400 068 Description: Individual Occupation: Service	Sd/-	
04	Mr. Shivang Shashikant Shah D/504, Yudhistir CHS, Link Road, N L Complex, Near Anand Nagar, Dahisar East, Mumbai – 400 068 Description: Individual Occupation: Business	Sd/-	

05	Mr. Prakash Jhangiani 304, Udyan 2 CHSL, Off Military Road, Marol, Andheri (E), Mumbai – 400 072 Description: Individual Occupation: Business	Sd/-	
06	Mr. Ganjanan Vithal Chavan 406, D-1 Mahindra Colony, Shri Krishna Nagar, Near National Park, Borivali East, Mumbai- 400 066, Description: Individual Occupation: Service	Sd/-	
07	Mr. Akshay Vitthal Bhadrike B/12 H.S. Khan Compound, Radha Krishna Nagar Rawal Pada, S.N. Dube Road, Near Shani Mandir, Dahisar East, Mumbai – 400 068 Description: Individual Occupation: Service	Sd/-	

Dated: 04<sup>th</sup> day of March, 2022

Place:

MUMBAI

## SECTION XIII – OTHER INFORMATION

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### 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 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 Prospectus, will be delivered to the Registrar of Companies for registration and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company from date of filing the Prospectus with RoC to Issue Closing Date on Working Days from 10.00 a.m. to 5.00 p.m.

Any of the contracts or documents mentioned in this Draft 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 and other applicable laws.

#### Material Contracts:

- 1) Issue Agreement dated November 28, 2022 between our Company and the LM.
- 2) Registrar Agreement dated November 28, 2022 between our Company and the Registrar to the Issue.
- 3) Underwriting Agreement dated [●] between our Company the LM, Underwriter(s).
- 4) Banker to the Issue Agreement dated February 14, 2023 among our Company, Lead Manager, Banker to the Issue and the Registrar to the Issue.
- 5) Tripartite agreement among the NSDL, our Company and Registrar to the Issue dated December 8, 2022.
- 6) Tripartite agreement among the CDSL, our Company and Registrar to the Issue dated September 2, 2022.
- 7) Market Making Agreement dated [●] between our Company, Lead Manager and Market Maker.

#### Material Documents

- 1) Certified true copy of the Memorandum and Articles of Association of our Company as amended from time to time;
- 2) Certificate of incorporation dated March 15, 2022;
- 3) Board resolution and special resolution passed pursuant to Section 62 (1)(c) of the Companies Act, 2013 by the Board and Shareholders of our Company approving the Issue, at their meetings held on September 10, 2022 and September 15, 2022 respectively;
- 4) Resolution of the Board of Directors of our Company dated April 03, 2023 approving the Draft Prospectus and amendments thereto.
- 5) The examination reports of the Peer Reviewed Auditor, M/s SSRV & Associates, Chartered Accountants, dated January 25, 2023 on our Company's restated financial information for year ended as on December 31, 2022 and Statement of Tax Benefits dated March 24, 2023 included in this Draft Prospectus.
- 6) Consents of the Lead Manager, Legal Advisor to the Issue, Registrar to the Issue, Market Maker, Underwriter, Banker to the Issue, Sponsor Bank, Statutory Auditor of the Company, Promoters of our Company, Directors of our Company, Company Secretary and Compliance Officer, Chief Financial Officer, Bankers to our Company as referred to, in their respective capacities.
- 7) Due Diligence Certificate from Lead Manager dated April 03, 2023.

- 8) Copy of In- Principle Approval from BSE by way of letter dated [●], to use the name of BSE in this offer document for listing of Equity Shares on BSE SME (SME Platform of BSE Limited).

Any of the contracts or documents mentioned in this Draft 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 and other relevant statutes.

## DECLARATION

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

### **SIGNED BY THE DIRECTORS AND KMPs OF THE COMPANY**

<b>Name &amp; Designation</b>	<b>Signature</b>
<b>Ms. Sonali Nilesh Kocharekar</b> Managing Director and Chairman	Sd/-
<b>Ms. Smita Shashikant Shah</b> Whole Time Director	Sd/-
<b>Mr. Prakash Premkumar Jhangiani</b> Executive Director	Sd/-
<b>Mr. Sundeep Paul Menezes</b> Independent Director	Sd/-
<b>Ms. Ekta Anuj Chugani</b> Independent Director	Sd/-
<b>Mr. Shivang Shashikant Shah</b> Chief Financial Officer and Compliance Officer	Sd/-
<b>Ms. Ankita Chopra</b> <i>Company Secretary</i>	Sd/-

**Place:** Mumbai

**Date:** April 03, 2023