



**SRIVARI SPICES AND FOODS LIMITED**

Our Company was incorporated on January 29, 2019 as 'Srivari Spices and Foods Private Limited', a private limited company under the Companies Act, 2013, pursuant to a certificate of incorporation dated January 30, 2019 issued by the Deputy Registrar of Companies, Central Registration Centre. Subsequently, our Company was converted into a public limited company pursuant to a resolution passed by our Shareholders at an extraordinary general meeting held on December 12, 2022 and consequently the name of our Company was changed to 'Srivari Spices and Foods Limited' and a fresh certificate of incorporation dated December 27, 2022 was issued by the Registrar of Companies, Telangana at Hyderabad. The corporate identification number of our Company is L15494TG2019PLC130131.

**Registered Office:** Shed No. 5-105/4/A, SY No.234/A, Sriram Industrial Area, Kattedan, Jalpally, Hyderabad – 500 077, Telangana, India; **Telephone:** +91 90552 34567; **E-mail:** [compliance@srivarispces.com](mailto:compliance@srivarispces.com)

**Corporate Office (Address at which the books of account of our Company are maintained):** 4-1-875, 876, 877 and 877/1, RDB Blue Hope, Tilak Road, Abids, Hyderabad- 500 001, Telangana, India;

**Telephone:** +91 40 3576 8663; **E-mail:** [info@srivarispces.com](mailto:info@srivarispces.com); **Website:** [www.srivarispces.com](http://www.srivarispces.com);

**Contact Person:** Ms. Sushma Barla, Company Secretary & Compliance Officer;

**Corporate Identity Number:** L15494TG2019PLC130131

**PROMOTERS OF OUR COMPANY**

**RATHI NARAYAN DAS AND NEIHAA RATHI**

**FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF SRIVARI SPICES AND FOODS LIMITED  
("COMPANY" OR "ISSUER") ONLY**

ISSUE OF 14,28,400 EQUITY SHARES WITH A FACE VALUE OF ₹10 EACH ("RIGHTS EQUITY SHARES") OF OUR COMPANY FOR CASH AT A PRICE OF ₹ 175 EACH INCLUDING A SHARE PREMIUM OF ₹ 165 (RUPEE ONE HUNDRED SIXTY FIVE ONLY) PER RIGHT EQUITY SHARE ("ISSUE PRICE") FOR AN AGGREGATE AMOUNT OF UPTO ₹ 2,499.00 LACS ON A RIGHTS BASIS TO THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF 1 RIGHTS EQUITY SHARES FOR EVERY 5 FULLY PAID-UP EQUITY SHARES HELD BY THE ELIGIBLE EQUITY SHAREHOLDERS ON THE RECORD DATE, THAT IS ON SEPTEMBER 04, 2024 (THE "ISSUE"). THE ISSUE PRICE FOR THE RIGHTS EQUITY SHARES 17.5 TIMES THE FACE VALUE OF THE EQUITY SHARES. FOR FURTHER DETAILS, SEE "TERMS OF THE ISSUE" ON PAGE 122 OF THIS LETTER OF OFFER.

**WILFUL DEFAULTER OR A FRAUDULENT BORROWER**

Neither our Company nor any of our Promoters or Directors has been categorized as a Wilful Defaulter or a Fraudulent Borrower by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on Wilful Defaulter or a Fraudulent Borrower issued by the Reserve Bank of India.

**GENERAL RISKS**

Investment in equity and equity related securities involves 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 Offer. For taking an investment decision, investors must rely on their own examination of our Company and this offer including the risks involved. The Rights Equity Shares have not been recommended or approved by Securities and Exchange Board of India ("SEBI") nor does SEBI guarantee the accuracy or adequacy of this Letter of Offer. Investors are advised to refer "Risk Factors" beginning on page 20 of this Letter of Offer before investing in the Issue.

**ISSUER'S ABSOLUTE RESPONSIBILITY**

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Letter of Offer 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 Letter of Offer 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 Letter of Offer as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

**LISTING**

The existing Equity Shares of our Company are listed on SME platform of National Stock Exchange of India Limited ("NSE Emerge"). Our Company has received "in-principle" approval from NSE for listing the Rights Equity Shares to be allotted pursuant to the Issue through its letter dated August 22, 2024. Our Company will also make applications to NSE to obtain trading approval for the Rights Entitlements as required under the SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020. For the purposes of the Issue, the Designated Stock Exchange is NSE Emerge.

**REGISTRAR TO THE ISSUE**



**Bigshare Services Private Limited**  
Address: Office No. S6-2, VI Floor, Pinnacle Business Park, Mahakali Caves Road, Andheri (E), Mumbai-400093  
**Telephone:** +91-022-62638200 | Fax: +91-022-62638299  
**Email:** [rightsissue@bigshareonline.com](mailto:rightsissue@bigshareonline.com)  
**Investor Grievance :** [investor@bigshareonline.com](mailto:investor@bigshareonline.com)  
**Website:** [www.bigshareonline.com](http://www.bigshareonline.com)  
**Contact person:** Mr. Suraj Gupta  
**SEBI Registration No:** INR000001385

**ADVISOR TO THE ISSUE**



**GYR CAPITAL ADVISORS PRIVATE LIMITED**  
(Formerly known as Alpha Numero Services Private Limited)  
428, Gala Empire, Near JB Tower, Drive in Road, Thaltej, Ahmedabad -380 054, Gujarat, India.  
**Telephone:** +91 87775 64648  
**Fax:** N.A.  
**E-mail:** [info@gyrcapitaladvisors.com](mailto:info@gyrcapitaladvisors.com)  
**Website:** [www.gyrcapitaladvisors.com](http://www.gyrcapitaladvisors.com)  
**Investor grievance:** [investors@gyrcapitaladvisors.com](mailto:investors@gyrcapitaladvisors.com)  
**Contact Person:** Mr. Mohit Baid  
**SEBI Registration Number:** INM000012810  
**CIN:** U67200GJ2017PTC096908

**ISSUE PROGRAMME**

**ISSUE OPENS ON**

**LAST DATE FOR ON MARKET  
RENUNCIATION\***

**ISSUE CLOSES ON#**

**Tuesday, September 24, 2024**

**Friday, September 27, 2024**

**Thursday, October 03, 2024**

\*Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounees on or prior to the Issue Closing Date.

# Our Board or a duly authorized thereof will have the right to extend the Issue Period as it may determine from time to time, not exceeding 30 (thirty) days from the Issue Opening Date. Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.

***THIS PAGE HAS BEEN LEFT BLANK INTENTIONALLY***

**CONTENTS**

<b>SECTION I GENERAL .....</b>	<b>4</b>
<b>DEFINITIONS AND ABBREVIATIONS .....</b>	<b>4</b>
<b>NOTICE TO INVESTORS .....</b>	<b>11</b>
<b>PRESENTATION OF FINANCIAL INFORMATION AND OTHER INFORMATION.....</b>	<b>14</b>
<b>FORWARD LOOKING STATEMENTS.....</b>	<b>16</b>
<b>SUMMARY OF LETTER OF OFFER .....</b>	<b>18</b>
<b>SECTION II RISK FACTORS.....</b>	<b>20</b>
<b>SECTION III INTRODUCTION .....</b>	<b>42</b>
<b>THE ISSUE .....</b>	<b>42</b>
<b>GENERAL INFORMATION .....</b>	<b>43</b>
<b>CAPITAL STRUCTURE .....</b>	<b>48</b>
<b>OBJECTS OF THE ISSUE.....</b>	<b>50</b>
<b>STATEMENT OF SPECIAL TAX BENEFITS .....</b>	<b>66</b>
<b>SECTION IV ABOUT THE COMPANY .....</b>	<b>69</b>
<b>INDUSTRY OVERVIEW .....</b>	<b>69</b>
<b>OUR BUSINESS .....</b>	<b>82</b>
<b>OUR MANAGEMENT .....</b>	<b>98</b>
<b>SECTION V FINANCIAL INFORMATION .....</b>	<b>102</b>
<b>FINANCIAL STATEMENTS.....</b>	<b>102</b>
<b>ACCOUNTING RATIOS .....</b>	<b>103</b>
<b>MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS .....</b>	<b>105</b>
<b>SECTION VI LEGAL AND OTHER INFORMATION .....</b>	<b>113</b>
<b>OUTSTANDING LITIGATION AND DEFAULTS .....</b>	<b>113</b>
<b>GOVERNMENT AND OTHER APPROVALS.....</b>	<b>116</b>
<b>OTHER REGULATORY AND STATUTORY DISCLOSURES .....</b>	<b>117</b>
<b>SECTION VII OFFERING INFORMATION.....</b>	<b>122</b>
<b>TERMS OF THE ISSUE.....</b>	<b>122</b>
<b>SECTION VIII STATUTORY AND OTHER INFORMATION .....</b>	<b>154</b>
<b>DECLARATION.....</b>	<b>155</b>

## SECTION I GENERAL

### DEFINITIONS AND ABBREVIATIONS

#### DEFINITIONS

This Letter of Offer uses the definitions and abbreviations set forth below, which you should consider when reading the information contained herein. The following list of certain capitalized terms used in this Letter of Offer is intended for the convenience of the reader/prospective Applicant only and is not exhaustive.

This Letter of Offer uses the definitions and abbreviations set forth below, which, unless the context otherwise indicates or implies, or unless otherwise specified, shall have the meaning as provided below. References to any legislation, act, regulation, rules, guidelines, or policies shall be to such legislation, act, regulation, rules, guidelines, or policies as amended, supplemented, or re-enacted from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.

In this Letter of Offer, unless otherwise indicated or the context otherwise requires, all references to ‘the/our Company’, ‘we’, ‘our’, ‘us’ or similar terms are to Srivari Spices and Foods Limited as the context requires, and references to ‘you’ are to the Eligible Equity Shareholders and/ or prospective Investors in this Right Issue of Equity Shares.

The words and expressions used in this Letter of Offer, but not defined herein, shall have the same meaning (to the extent applicable) ascribed to such terms under the SEBI (ICDR) Regulations, the Companies Act, 2013, the SCRA, the Depositories Act, and the rules and regulations made thereunder. Notwithstanding the foregoing, terms used in section titled “*Industry Overview*”, “*Statement of Tax Benefits*”, “*Financial Information*”, “*Outstanding Litigations, Defaults, and Material Developments*” and “*Terms of the Issue*” on pages 69, 66, 102, 103 and 122 respectively, shall have the meaning given to such terms in such sections.

#### COMPANY RELATED AND GENERAL TERMS

Term	Description
“Company”, “our Company”, “the Company”, “the Issuer”, or “Srivari”	Srivari Spices and Foods Limited, a company incorporated under the Companies Act, 2013, having its registered office at Shed No. 5-105/4/A, SY No.234/A, Sriram Industrial Area, Kattedan, Jalpally, Hyderabad – 500 077, Telangana, India.
We/ us/ our	Unless the context otherwise indicates or implies, refers to Srivari Spices and Foods Limited;
Articles / Articles of Association/AOA	Articles of Association of our Company.
Audit Committee	The Audit Committee of the Board of Directors constituted in accordance with Section 177 of the Companies Act, 2013. For details refer section titled “ <i>Our Management</i> ” on page 98 of this Letter of Offer.
Auditor / Statutory Auditor/ Peer Review Auditor	Statutory and peer review auditor of our Company, namely, <b>Rao &amp; Shyam, Chartered Accountants.</b>
Bankers to the Company	<b>HDFC Bank Limited</b>
Board of Directors / Board/BOD	The Board of Directors of the Company unless otherwise specified.
Companies Act	The Companies Act, 1956/2013 as amended from time to time.
CIN	Corporate Identification Number of our Company i.e. L15494TG2019PLC130131
CMD	Chairman and Managing Director
Chief Financial Officer (CFO)	The Chief Financial Officer of our Company, being <b>Ms. Naveena Chepur.</b>
Company Secretary and Compliance Officer (CS)	The Company Secretary and Compliance Officer of our Company, being <b>Ms. Barla Sushma.</b>

Term	Description
Corporate Office	The Corporate Office of our Company situated at 4-1-875, 876, 877 and 877/1, RDB Blue Hope, Tilak Road, Abids, Hyderabad- 500 001, Telangana, India
Depositories Act	The Depositories Act, 1996, as amended from time to time
DIN	Director Identification Number
Equity Shares	Equity Shares of our Company of Face Value of ₹ 10/- each unless otherwise specified in the context thereof
Equity Shareholders	Persons/ Entities holding Equity Shares of Our Company
ED	Executive Director
Factory Unit I	Situated at 234/5, Jalpally Village, Balapur Mandal, Jalpally Municipality, Ranga Reddy District, Telangana
Factory Unit II	Situated at Raikal Village, Farooqnagar Mandal, Ranga Reddy District, Telangana, respectively.
Group Companies	Companies with which there have been related party transactions, during the last financial years, as covered under the applicable accounting standards and other companies as considered material by the Board in accordance with the Materiality Policy.
Independent Director	A non-executive & Independent Director as per the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
Indian GAAP	Generally Accepted Accounting Principles in India
ISIN	INE0ON201012

#### ISSUE RELATED TERMS

Term	Description
Abridged Letter of Offer	Abridged Letter of Offer to be sent to the Eligible Equity Shareholders with respect to the Issue in accordance with the provisions of the SEBI (ICDR) Regulations and the Companies Act;
Additional Rights Equity Shares	The Rights Equity Shares applied or allotted under this Issue in addition to the Rights Entitlements;
Allot/Allotment/Allotted	Unless the context requires, the allotment of Rights Equity Shares pursuant to this Issue;
Allotment Account	The account opened with the Banker to the Issue, into which the Application Money lying to the credit of the escrow account(s) and amounts blocked in the ASBA Account, with respect to successful Investors will be transferred on the Transfer Date in accordance with Section 40 (3) of the Companies Act;
Allotment Date	Date on which the Allotment is made pursuant to the Issue;
Allottees	Persons to whom Rights Equity Shares are issued pursuant to the Issue;
Applicant(s)/ Investor(s)	Eligible Equity Shareholder(s) and/or Renouncee(s) who make an application for the Rights Equity Shares pursuant to this Issue in terms of the Letter of Offer, being an ASBA Investor;
Application	Application made through submission of the Application Form or plain paper Application to the Designated Branch of the SCSBs or online/ electronic application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process to subscribe to the Equity Shares at the Issue Price;
Application Form	Unless the context otherwise requires, an application form (including online application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process) used by an Applicant to make an application for the Allotment of Rights Equity Shares in this issue;
Application Money	Aggregate amount payable at the time of Application ₹ 175 (Rupees One Hundred Seventy Five Only) in respect of the Rights Equity Shares applied for in this Issue at the Issue Price;
Application Supported by Blocked Amount or ASBA	Application used by ASBA Investors to make an application authorizing a SCSB to block the Application Money in the ASBA Account;
ASBA Account	Account maintained with a SCSB and specified in the Application Form or plain paper application, as the case may be, for blocking the amount mentioned in the Application Form or the plain paper application, in case of Eligible Equity Shareholders, as the case

Term	Description
	may be;
ASBA Applicant /ASBA Investor	As per the SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, all investors (including Renounees) shall make an application for an Issue only through ASBA facility;
ASBA Bid	Bid made by an ASBA Bidder including all revisions and modifications thereto as permitted under the SEBI (ICDR) Regulations;
ASBA Circulars	Collectively, the SEBI circulars bearing reference numbers SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009, CIR/CFD/DIL/1/2011 dated April 29, 2011, and SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020;
Bankers to the Issue/ Refund Bank	Collectively, the Escrow Collection Bank and the Refund Bank to the Issue, in this case being Axis Bank Limited;
Bankers to the Issue Agreement	Agreement dated September 06, 2024 entered into by and amongst our Company, the Registrar to the Issue, and the Bankers to the Issue for collection of the Application Money from Investors making an application, transfer of funds to the Allotment Account from the Escrow Account and SCSBs, release of funds from Allotment Account to our Company and other persons and where applicable, refunds of the amounts collected from Investors and providing such other facilities and services as specified in the agreement;
Basis of Allotment	The basis on which the Rights Equity Shares will be Allotted to successful Applicants in the Issue, and which is described in the chapter titled “ <i>Terms of the Issue</i> ” beginning on page 122 of this Letter of Offer;
Controlling Branches /Controlling Branches of the SCSBs	Such branches of the SCSBs which coordinate with the Registrar to the Issue and the Stock Exchange, a list of which is available on <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34</a> , updated from time to time, or at such other website as may be prescribed by SEBI from time to time.
Demographic Details	Details of Investors including the Investor’s address, name of the Investor’s father/ husband, investor status, occupation and bank account details, where applicable;
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Forms submitted by ASBA Bidders, a list of which is available on the website of SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34</a> , updated from time to time, or at such other website as may be prescribed by SEBI from time to time;
Designated Stock Exchange	Emerge Platform of National Stock Exchange of India Limited;
Depository(ies)	NSDL and CDSL or any other depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 as amended from time to time read with the Depositories Act, 1996;
Draft Letter of Offer/ DLoF	The Draft Letter of Offer filed with the National Stock Exchange of India Limited;
Eligible Equity Shareholder(s)	Eligible holder(s) of the Equity Shares of Srivari Spices and Foods Limited as on the Record Date;
Escrow Account(s)	One or more no-lien and non-interest-bearing accounts with the Escrow Collection Bank(s) for the purposes of collecting the Application Money from resident investors;
Escrow Collection Bank	Banks which are clearing members and registered with SEBI as bankers to an issue and with whom Escrow Account(s) will be opened, in this case being Axis Bank Limited;
Issue/ Rights Issue	Issue of Upto 14,28,400 equity shares with a face value of ₹10 each (“rights equity shares”) of our company for cash at a price of ₹ 175 each including a share premium of ₹ 165 per rights equity share (“issue price”) for an aggregate amount upto ₹ 2,499.00 Lacs* on a rights basis to the existing equity shareholders of our company in the ratio of 1 Right equity shares for every 5 Fully paid-up equity shares held by the existing equity shareholders on the record date, that is on September 04, 2024 (the “issue”). The issue price for the rights equity shares is 17.5 Times the face value of the equity shares. *Assuming full subscription and receipt of all Call Monies with respect to Rights Equity Shares.
Issue Closing Date	Thursday, October 03, 2024;
Issue Opening Date	Tuesday, September 24, 2024;

<b>Term</b>	<b>Description</b>
Issue Period	The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days, during which Applicants/ Investors can submit their applications, in accordance with the SEBI (ICDR) Regulations;
Issue Price	₹ 175 (Rupees One Hundred Seventy Five Only) per Rights Equity Share including a premium of ₹ 165 (Rupees One Hundred Sixty Five) per Rights Equity Share);
Issue Proceeds	The proceeds of the Issue that are available to our Company;
Issue Size	Amount aggregating upto 2,499.00 Lacs (Rupees Twenty-Four Crore Ninety Nine Only );
Letter of Offer/ LoF	The final letter of offer to be filed with the NSE after incorporating the observations received from the NSE on the Draft Letter of Offer;
Material Subsidiaries	Following company have been identified by our Company based on the materiality threshold adopted by our Board under SEBI Listing Regulations as Material Subsidiaries; Our Company does not have any Material Subsidiaries as of now;
MCA Circulars	General Circular No. 21/2020 dated May 11, 2020 issued by the Ministry of Corporate Affairs, Government of India, read with the circular dated August 3, 2020;
Multiple Application Forms	Multiple application forms submitted by an Eligible Equity Shareholder/ Renouncee in respect of the Rights Entitlement available in their demat account. However supplementary applications in relation to further Equity Shares with/without using additional Rights Entitlements will not be treated as multiple application;
Net Proceeds	Issue Proceeds less the Issue related expenses. For further details, please refer to the section titled “ <i>Objects of the Issue</i> ” beginning on page 50 of this Letter of Offer;
Offer Document	The Draft Letter of Offer, Letter of Offer, Abridged Letter of Offer including any notices, corrigendum thereto;
Off Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by transferring them through off market transfer through a depository participant in accordance with the SEBI Rights Issue Circular and the circulars issued by the Depositories, from time to time, and other applicable laws;
On Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by trading them over the secondary market platform of the Stock Exchange through a registered stock broker in accordance with the SEBI Rights Issue Circular and the circulars issued by the Stock Exchange, from time to time, and other applicable laws, on or before September 27, 2024;
QIBs or Qualified Institutional Buyers	Qualified institutional buyers as defined under Regulation 2(1) (ss) of the SEBI (ICDR) Regulations;
Record Date	Designated date for the purpose of determining the Equity Shareholders eligible to apply for Rights Equity Shares, being September 04, 2024;
Registrar to the Issue	Bigshare Services Private Limited.;
Registrar Agreement	Agreement dated June 24, 2024 entered into between our Company and the Registrar in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to this Issue;
Renouncees	Any person(s) who, not being the original recipient has/have acquired the Rights Entitlement, in accordance with the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars.
Renunciation Period	The period during which the Investors can renounce or transfer their Rights Entitlements which shall commence from the Issue Opening Date i.e. Tuesday, September 24, 2024. Such period shall close on September 27, 2024 in case of On Market Renunciation. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee on or prior to the Issue Closing Date i.e. Thursday, October 03, 2024;
Retail Individual Investors/ RIIs	Individual Investors who have applied for Equity Shares for an amount not more than ₹2,00,000.00/- (Rupees Two Lacs) (including HUFs applying through their Karta);
Rights Entitlement (s)/ Res	The right to apply for the Rights Equity Shares, being offered by way of this Issue, by an Investor, in accordance with the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, in this case being 1 (One) Rights Equity Shares for every 5 (Five) Equity Shares held by an Eligible Equity Shareholder, on the Record Date, excluding any fractional entitlements.

Term	Description
	<i>Pursuant to the provisions of the SEBI ICDR Regulations and the SEBI Rights Issue Circular, the Rights Entitlements shall be credited in dematerialized form in respective demat accounts of the Eligible Equity Shareholders before the Issue Opening Date.</i>
Rights Entitlement Letter	Letter including details of Rights Entitlements of the Eligible Equity Shareholders. The Rights Entitlements are also accessible on the website of our Company.
Rights Equity Shares	Equity Shares of our Company to be Allotted pursuant to this Issue, on fully paid-up basis on Allotment;
Self-Certified Syndicate Banks/SCSB(s)	Banks which are registered with the SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994, and offer services of ASBA, and a list of which is available on <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=3">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=3</a>
SEBI Rights Issue Circular	SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020;
Transfer Date	The date on which the amount held in the escrow account(s) and the amount blocked in the ASBA Account will be transferred to the Allotment Account, upon finalization of the Basis of Allotment, in consultation with the Designated Stock Exchange;
Wilful Defaulter or a Fraudulent Borrower	A Company or person categorized as a wilful defaulter or a fraudulent borrower by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters or a fraudulent borrowers issued by the RBI, including any Company whose director or promoter is categorized as such;
Working Day(s)	In terms of Regulation 2(1)(mmm) of SEBI (ICDR) Regulations, working day means all days on which commercial banks in Mumbai are open for business. Further, in respect of Issue Period, working day means all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business. Furthermore, the time period between the Issue Closing Date and the listing of Equity Shares on the Stock Exchange, "Working Day" shall mean all trading days of the Stock Exchange, excluding Sundays and bank holidays;

## INDUSTRY RELATED TERMS

Term	Description
Covid-19	Coronavirus Disease
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
IMF	International Monetary Fund
U.S.	United States of America
US\$	United States Dollar

## ABBREVIATIONS

Term	Description
ADR	American Depository Receipt;
AGM	Annual General Meeting;
AIF	Alternative Investment Fund as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012;
AS	Accounting Standards issued by the Institute of Chartered Accountants of India;
BSE	BSE Limited;
CAF	Common Application Form;
CDSL	Central Depository Services (India) Limited;
CFO	Chief Financial Officer;
CIN	Corporate Identification Number;
CIT	Commissioner of Income Tax;
CLRA	Contract Labour (Regulation and Abolition) Act, 1970;
Companies Act, 2013	Companies Act, 2013 along with rules made thereunder;
Companies Act,	Companies Act, 1956, and the rules thereunder (without reference to the provisions

Term	Description
1956	thereof that have ceased to have effect upon the notification of the Notified Sections);
Consolidated FDI Policy	The consolidated FDI Policy, effective from October 15, 2020, issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, and any modifications thereto or substitutions thereof, issued 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
CSR	Corporate Social Responsibility;
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018
Depositories Act	The Depositories Act, 1996;
DIN	Director Identification Number;
DP	Depository Participant;
DP-ID	Depository Participant's Identification;
DR	Depository Receipts;
EBITDA	Profit/(loss) after tax for the year adjusted for income tax expense, finance costs, depreciation, and amortisation expense, as presented in the statement of profit and loss;
EGM	Extraordinary General Meeting;
EEA	European Economic Area;
EPS	Earning per Equity Share;
FDI	Foreign Direct Investment;
FEMA	Foreign Exchange Management Act, 1999 read with rules and regulations made thereunder;
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019;
FII(s)	Foreign Institutional Investors registered with SEBI under applicable laws;
FIPB	Foreign Investment Promotion Board;
FPIs	Foreign Portfolio Investors;
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018;
FVCI	Foreign Venture Capital Investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000) registered with SEBI;
FY	Period of 12 months ending on March 31 of that particular year, unless otherwise stated;
GAAP	Generally Accepted Accounting Principles;
GDP	Gross Domestic Product;
GDR	Global Depository Receipt;
GNPA	Gross Net Performing Assets;
GoI / Government	The Government of India;
GST	Goods and Services Tax;
HUF	Hindu Undivided Family;
Ind AS	Indian Accounting Standards;
ICAI	The Institute of Chartered Accountants of India;
ICSI	The Institute of Company Secretaries of India;
IFRS	International Financial Reporting Standards;
Indian GAAP/ I-GAAP	Generally Accepted Accounting Principles In India;
Income Tax Act/ IT Act	The Income Tax Act, 1961 and amendments thereto;
Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
Insolvency Code	Insolvency and Bankruptcy Code, 2016, as amended;
INR / ₹ / Rs. / Indian Rupees	Indian Rupee, the official currency of the Republic of India;
IT	Information Technology;
MCA	The Ministry of Corporate Affairs, GoI;
Mn / mn	Million;

Term	Description
Mutual Funds	Mutual funds registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996;
N.A. or NA	Not Applicable;
NAV	Net Asset Value;
NEFT	National Electronic Fund Transfer;
Notified Sections	The sections of the Companies Act, 2013 that have been notified by the MCA and are currently in effect;
NR/ non-resident	A person resident outside India, as defined under the FEMA and includes an NRI, FPIs registered with SEBI and FVCIs registered with SEBI;
NRE	Non-resident external account;
NRI	Non-resident Indian;
NSDL	National Securities Depository Limited;
NSE	National Stock Exchange of India Limited;
OCB	Overseas Corporate Body;
p.a.	Per annum;
P/E Ratio	Price/Earnings Ratio;
PAN	Permanent account number;
PAT	Profit after Tax;
RBI	Reserve Bank of India;
RBI Act	Reserve Bank of India Act, 1934;
RoNW	Return on Net Worth;
SCORES	SEBI Complaints Redress System;
SCRA	Securities Contracts (Regulation) Act, 1956;
SCRR	Securities Contracts (Regulation) Rules, 1957;
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 Investment Funds) Regulations, 2012;
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019;
SEBI (LODR) Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time;
SEBI (ICDR) Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments thereto;
SEBI (SAST) Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and amendments thereto;
Securities Act	United States Securities Act of 1933, as amended;
STT	Securities transaction tax;
Trade Mark Act	Trade Marks Act, 1999 and the rules thereunder, including subsequent amendments thereto;
US\$/ USD/ US Dollar	United States Dollar, the official currency of the United States of America;
USA/ U.S./ US	United States of America, its territories and possessions, any state of the United States of America and the District of Columbia;
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America;
VCF	Venture capital fund as defined and registered with SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the SEBI AIF Regulations, as the case may be;

## NOTICE TO INVESTORS

The distribution of this Letter of Offer, Letter of Offer, the Abridged Letter of Offer, Application Form and Rights Entitlement Letter and the issue of Rights Entitlement and Rights Equity Shares to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession the Letter of Offer, the Abridged Letter of Offer or CAFs may come are required to inform themselves about and observe such restrictions. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders and will electronically dispatch through email and physical dispatch through speed post the Letter of Offer / Abridged Letter of Offer and Application Form and Rights Entitlement Letter only to Eligible Equity Shareholders who have a registered address in India or who have provided an Indian address to our Company. Further, the Letter of Offer will be provided, through email and speed post, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and in each case who make a request in this regard. Investors can also access this Letter of Offer, the Abridged Letter of Offer and the Application Form from the websites of the Registrar, our Company, SEBI and the Stock Exchange.

No action has been or will be taken to permit the Issue in any jurisdiction where action would be required for that purpose. Accordingly, the Rights Entitlements or Rights Equity Shares may not be offered or sold, directly or indirectly, and this Letter of Offer, the Abridged Letter of Offer or any offering materials or advertisements in connection with the Issue may not be distributed, in whole or in part, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Letter of Offer or the Abridged Letter of Offer will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, this Letter of Offer and the Abridged Letter of Offer must be treated as sent for information purposes only and should not be acted upon for subscription to the Rights Equity Shares and should not be copied or redistributed. Accordingly, persons receiving a copy of this Letter of Offer or the Abridged Letter of Offer or Application Form should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send this Letter of Offer or the Abridged Letter of Offer to any person outside India where to do so, would or might contravene local securities laws or regulations. If this Letter of Offer or the Abridged Letter of Offer or Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Rights Equity Shares or the Rights Entitlements referred to in this Letter of Offer, the Abridged Letter of Offer or the Application Form.

Any person who makes an application to acquire Equity Shares offered in this Issue will be deemed to have declared, represented, warranted and agreed that she/he is authorized to acquire the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in her/his jurisdiction. Our Company, the Registrar to the Issue or any other person acting on behalf of us reserve the right to treat any CAF as invalid where we believe that CAF is incomplete or acceptance of such CAF may infringe applicable legal or regulatory requirements and we shall not be bound to allot or issue any Rights Equity Shares or Rights Entitlement in respect of any such CAF. Neither the delivery of Letter of Offer, Abridged Letter of Offer and CAFs nor any sale hereunder, shall under any circumstances create any implication that there has been no change in our Company's affairs from the date hereof or that the information contained herein is correct as at any time subsequent to the date of the Letter of Offer.

Neither the delivery of this Letter of Offer, the Abridged Letter of Offer, Application Form and Rights Entitlement Letter nor any sale hereunder, shall, under any circumstances, create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as at any time subsequent to the date of this Letter of Offer and the Abridged Letter of Offer and the Application Form and Rights Entitlement Letter or the date of such information.

**THE CONTENTS OF THIS LETTER OF OFFER SHOULD NOT BE CONSTRUED AS LEGAL, TAX OR INVESTMENT ADVICE. PROSPECTIVE INVESTORS MAY BE SUBJECT TO ADVERSE FOREIGN, STATE OR LOCAL TAX OR LEGAL CONSEQUENCES AS A RESULT OF THE OFFER RIGHTS OF EQUITY SHARES OR RIGHTS ENTITLEMENTS. ACCORDINGLY, EACH INVESTOR SHOULD CONSULT ITS OWN COUNSEL, BUSINESS ADVISOR AND TAX ADVISOR AS TO THE LEGAL, BUSINESS, TAX AND RELATED MATTERS CONCERNING THE OFFER OF EQUITY SHARES. IN ADDITION, NEITHER OUR COMPANY IS MAKING ANY REPRESENTATION TO ANY OFFEREE OR PURCHASER OF THE EQUITY SHARES REGARDING THE LEGALITY OF**

## **AN INVESTMENT IN THE EQUITY SHARES BY SUCH OFFEREE OR PURCHASER UNDER ANY APPLICABLE LAWS OR REGULATIONS.**

### **NO OFFER IN THE UNITED STATES**

The Rights Entitlements and the Rights Equity Shares have not been and will not be registered under the Securities Act or the securities laws of any state of the United States and may not be offered or sold in the United States of America or the territories or possessions thereof (“United States”), except in a transaction not subject to, or exempt from, the registration requirements of the Securities Act and applicable state securities laws. The offering to which this Letter of Offer relates is not, and under no circumstances is to be construed as, an offering of any Rights Equity Shares or Rights Entitlement for sale in the United States or as a solicitation therein of an offer to buy any of the Rights Equity Shares or Rights Entitlement. There is no intention to register any portion of the Issue or any of the securities described herein in the United States or to conduct a public offering of securities in the United States. Accordingly, this Letter of Offer / Abridged Letter of Offer and the enclosed Application Form and Rights Entitlement Letters should not be forwarded to or transmitted in or into the United States at any time. In addition, until the expiry of 40 days after the commencement of the Issue, an offer or sale of Rights Entitlements or Rights Equity Shares within the United States by a dealer (whether or not it is participating in the Issue) may violate the registration requirements of the Securities Act.

Neither our Company nor any person acting on our behalf will accept a subscription or renunciation from any person, or the agent of any person, who appears to be, or who our Company or any person acting on our behalf has reason to believe is in the United States when the buy order is made. Envelopes containing an Application Form and Rights Entitlement Letter should not be postmarked in the United States or otherwise dispatched from the United States or any other jurisdiction where it would be illegal to make an offer, and all persons subscribing for the Rights Equity Shares Issue and wishing to hold such Equity Shares in registered form must provide an address for registration of these Equity Shares in India. Our Company is making the Issue on a rights basis to Eligible Equity Shareholders and this Letter of Offer / Abridged Letter of Offer and Application Form and Rights Entitlement Letter will be dispatched only to Eligible Equity Shareholders who have an Indian address. Any person who acquires Rights Entitlements and the Rights Equity Shares will be deemed to have declared, represented, warranted and agreed that, (i) it is not and that at the time of subscribing for such Rights Equity Shares or the Rights Entitlements, it will not be, in the United States, and (ii) it is authorized to acquire the Rights Entitlements and the Rights Equity Shares in compliance with all applicable laws and regulations.

Our Company reserves the right to treat any Application Form as invalid which: (i) does not include the certification set out in the Application Form to the effect that the subscriber is authorised to acquire the Rights Equity Shares or Rights Entitlement in compliance with all applicable laws and regulations; (ii) appears to us or our agents to have been executed in or dispatched from the United States; (iii) where a registered Indian address is not provided; or (iv) where our Company believes that Application Form is incomplete or acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to allot or issue any Rights Equity Shares or Rights Entitlement in respect of any such Application Form.

Rights Entitlements may not be transferred or sold to any person in the United States.

The Rights Entitlements and the Equity Shares have not been approved or disapproved by the US Securities and Exchange Commission (the “US SEC”), any state securities commission in the United States or any other US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Rights Entitlements, the Equity Shares or the accuracy or adequacy of this Letter of Offer. Any representation to the contrary is a criminal offence in the United States.

The above information is given for the benefit of the Applicants / Investors. Our Company is not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Rights Equity Shares applied for do not exceed the applicable limits under laws or regulations.

**THIS DOCUMENT IS SOLELY FOR THE USE OF THE PERSON WHO RECEIVED IT FROM OUR COMPANY OR FROM THE REGISTRAR. THIS DOCUMENT IS NOT TO BE REPRODUCED OR DISTRIBUTED TO ANY OTHER PERSON.**

### **ENFORCEMENT OF CIVIL LIABILITIES**

The Company is a Public Limited (Listed) Company under the laws of India and all the Directors and all Executive Officers are residents of India. It may not be possible or may be difficult for investors to affect service of process upon the Company or these other persons outside India or to enforce against them in courts in India, judgments obtained in courts outside India. India is not a party to any international treaty in relation to the automatic recognition or enforcement of foreign judgments.

However, recognition and enforcement of foreign judgments is provided for under Sections 13, 14 and 44A of the Code of Civil Procedure, 1908, as amended (the "Civil Procedure Code"). Section 44A of the Civil Procedure Code provides that where a certified copy of a decree of any superior court (within the meaning of that section) in any country or territory outside India which the Government of India has by notification declared to be a reciprocating territory, is filed before a district court in India, such decree may be executed in India as if the decree has been rendered by a district court in India. Section 44A of the Civil Procedure Code is applicable only to monetary decrees or judgments not being in the nature of amounts payable in respect of taxes or other charges of a similar nature or in respect of fines or other penalties. Section 44A of the Civil Procedure Code does not apply to arbitration awards even if such awards are enforceable as a decree or judgment. Among others, the United Kingdom, Singapore, Hong Kong and the United Arab Emirates have been declared by the Government of India to be reciprocating territories within the meaning of Section 44A of the Civil Procedure Code.

The United States has not been declared by the Government of India to be a reciprocating territory for the purposes of Section 44A of the Civil Procedure Code. Under Section 14 of the Civil Procedure Code, an Indian court shall, on production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction unless the contrary appears on the record; but such presumption may be displaced by proving want of jurisdiction.

A judgment of a court in any non-reciprocating territory, such as the United States, may be enforced in India only by a suit upon the judgment subject to Section 13 of the Civil Procedure Code, and not by proceedings in execution. Section 13 of the Civil Procedure Code, which is the statutory basis for the recognition of foreign judgments (other than arbitration awards), states that a foreign judgment shall be conclusive as to any matter directly adjudicated upon between the same parties or between parties under whom they or any of them claim litigating under the same title except where:

- The judgment has not been pronounced by a court of competent jurisdiction.
- The judgment has not been given on the merits of the case.
- The judgment appears on the face of the proceedings to be founded on an incorrect view of international law or a refusal to recognize the law of India in cases where such law is applicable.
- The proceedings in which the judgment was obtained are opposed to natural justice.
- The judgment has been obtained by fraud; and/or
- The judgment sustains a claim founded on a breach of any law in force in India.

A suit to enforce a foreign judgment must be brought in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. In addition, it is unlikely that an Indian court would enforce foreign judgments if it considered the amount of damages awarded as excessive or inconsistent with public policy or if the judgments are in breach of or contrary to Indian law. A party seeking to enforce a foreign judgment in India is required to obtain prior approval from the Reserve Bank of India to repatriate any amount recovered pursuant to execution of such judgment. Any judgment in a foreign currency would be converted into Rupees on the date of such judgment and not on the date of payment and any such amount may be subject to income tax in accordance with applicable laws. The Company cannot predict whether a suit brought in an Indian court will be disposed of in a timely manner or be subject to considerable delays.

## PRESENTATION OF FINANCIAL INFORMATION AND OTHER INFORMATION

### CERTAIN CONVENTIONS

Unless otherwise specified or the context otherwise requires, all references to “India” contained in this Letter of Offer are to the Republic of India and the “Government” or “GoI” or the “Central Government” or the “State Government” are to the Government of India, Central or State, as applicable.

Unless otherwise specified or the context otherwise requires, all references in this Letter of Offer to the “US” or “U.S.” or the “United States” are to the United States of America and its territories and possessions.

Unless otherwise specified, all references in this Letter of Offer are in Indian Standard Time. Unless indicated otherwise, all references to a year in this Letter of Offer are to a calendar year.

A reference to the singular also refers to the plural and one gender also refers to any other gender, wherever applicable.

Unless stated otherwise, all references to page numbers in this Letter of Offer are to the page numbers of this Letter of Offer.

### FINANCIAL DATA

Unless stated or the context requires otherwise, our financial data included in this Letter of Offer is derived from the Consolidated Financial Statements of our Company as of and for the financial year ended March 31, 2024.

We have prepared our Consolidated Audited Financial Statements of our Company as of and for the financial year ended March 31, 2024 in accordance with GAAP, Companies Act, and other applicable statutory and / or regulatory requirements. Our Company publishes its financial statements in Indian Rupees.

For details of the Consolidated Financial Statements for the financial year ended March 31, 2024, please refer to the section titled “*Financial Statements*” beginning on page 102 of this Letter of Offer.

Our Company’s Financial Year commences on April 1 of the immediately preceding calendar year and ends on March 31 of that particular calendar year. Accordingly, all references to a particular Financial Year or Fiscal, unless stated otherwise, are to the 12 months period ending on March 31 of that particular calendar year.

In this Letter of Offer, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off, and unless otherwise specified, all financial numbers in parenthesis represent negative figures.

### CURRENCY AND UNITS OF PRESENTATION

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

In this Letter of Offer, our Company has presented certain numerical information. All figures have been expressed in “lakhs”. The amounts derived from financial statements included herein are represented in “lakhs”, as presented in the Consolidated Audited Financial Statements and the Unaudited Financial Results. One lakh represents 1,00,000 and one crore represents 1,00,00,000.

Except as otherwise set out in this Letter of Offer, certain monetary thresholds have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

### INDUSTRY AND MARKET DATA

Unless stated otherwise, industry data used throughout this Letter of Offer has been obtained or derived from industry and government publications, publicly available information and sources. Industry 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 are not guaranteed, and their reliability cannot be assured. Although our Company believes that industry data used in this Letter of Offer is reliable, it has not been independently verified.

The industry data used in this Letter of Offer has not been independently verified by our Company or any of their affiliates or advisors. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors and cannot be verified with certainty due to limits on the availability and reliability of the raw data and other limitations and uncertainties inherent in any statistical survey.

The extent to which market and industry data used in this Letter of Offer is meaningful depends on the reader's familiarity with and understanding of methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which our business is conducted, and methodologies and assumptions may vary widely among different industry sources. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "*Risk Factors*" on page 20 of this Letter of Offer. Accordingly, investment decisions should not be based solely on such information.

..... **This space has been left blank intentionally**.....

## FORWARD LOOKING STATEMENTS

Certain statements contained in this Letter of Offer that are not statements of historical fact constitute “forward-looking statements”. Investors can generally identify forward-looking statements by terminology including anticipate, believe, continue, can, could, estimate, expect, future, forecast, intend, may, objective, plan, potential, project, pursue, shall, should, target, will, would or other words or phrases of similar import. Similarly, statements that describe our objectives, plans or goals are also forward- looking statements. However, these are not the exclusive means of identifying forward-looking statements. All statements regarding our Company’s expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements may include planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts) and other matters discussed in this Letter of Offer that are not historical facts.

These forward-looking statements contained in this Letter of Offer (whether made by our Company or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of our Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. All forward-looking statements are subject to risks, uncertainties and assumptions about our Company that could cause actual results to differ materially from those contemplated by the relevant forward - looking statement. Important factors that could cause our actual results, performances and achievements to differ materially from any of the forward-looking statements include, among others:

- Company’s ability to successfully implement our strategy, our growth and expansion, technological changes;
- Failure to comply with regulations prescribed by authorities of the jurisdictions in which we operate;
- Audience’s taste and behavior;
- Uncertainty in relation to continuing effect of the COVID-19 pandemic on our business and operations;
- Inability to successfully obtain registrations in a timely manner or at all;
- General economic and business conditions in the markets in which we operate and in the local, regional and national economies;
- Our ability to effectively manage a variety of business, legal, regulatory, economic, social and political risks associated with our operations;
- Our failure to keep pace with rapid changes in entertainment sector;
- Changes in laws and regulations relating to the industries in which we operate;
- Effect of lack of infrastructure facilities on our business;
- Intensified competition in industries/sector in which we operate;
- Our ability to attract, retain and manage qualified personnel;
- Failure to adapt to the changing technology in our industry of operation may adversely affect our business and financial condition;
- Changes in political and social conditions in India or in countries that we may enter, the monetary and interest rate policies of India and other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
- Our ability to expand our geographical area of operation.

For further discussion of factors that could cause the actual results to differ from the expectations, see the sections “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 20, 75 and 103, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

Forward-looking statements reflect the current views of our Company as at the date of this Letter of Offer and are not a guarantee or assurance 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. Accordingly, we cannot assure investors that the expectations reflected in these forward-looking statements will prove to be correct and given the uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. If any of these risks and uncertainties materialize, or if any of our Company’s underlying assumptions prove to be incorrect, the actual results of operations or financial condition

of our Company could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to our Company are expressly qualified in their entirety by reference to these cautionary statements. None of our Company, our Directors nor any of their respective affiliates has any obligation to update or otherwise revise any statements reflecting circumstances arising after the date of this Letter of Offer or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

In accordance with the SEBI (ICDR) Regulations, our Company will ensure that investors are informed of material developments from the date of this Letter of Offer until the time of receipt of the listing and trading permission.

..... **This space has been left blank intentionally**.....

## SUMMARY OF LETTER OF OFFER

The following is a general summary of certain disclosures included in this Letter of Offer and it is neither exhaustive, nor does it purport to contain a summary of all the disclosures in this Letter of Offer or all details relevant to prospective Investors. This summary should be read in conjunction with and is qualified by, the more detailed information appearing in this Letter of Offer, including the sections titled “*Risk Factors*”, “*Objects of the Issue*”, “*Our Business*” and “*Outstanding Litigations, Defaults and Material Developments*” beginning on pages 20, 50, 75 and 113 of this Letter of Offer, respectively.

### SUMMARY OF OUR BUSINESS

Our Company is engaged in the business of manufacturing spices and flour (chakki atta) and market & sell it in and around Telangana and Andhra Pradesh. We handpick our raw materials from various parts of the country and process our products with utmost care without the use of artificial preservatives or chemicals, thereby creating a product portfolio of organic spices and flour, which carry the freshness and goodness of each ingredient. We have created a unique business model, wherein we manufacture and package our products in quantities which can sustain a customer until the shelf life of our product, in order to avoid wastage and deliver a wide range of products which carry the freshness and goodness of each ingredient.

For further details, please refer to the section titled “*Our Business*” beginning on page 75 beginning of this Letter of Offer.

### OBJECTS OF THE ISSUE

The intended use of the Net Proceeds of the Issue by our Company is set forth in the following table:

(₹ in Lacs)

Sr. No.	Particulars	Amount
1.	Funding Capital Expenditure Towards Construction for Setting of New Plant for Manufacturing and Storage of Edible Oil	864.02
2.	Repayment of Unsecured Loans	190.16
3.	To augment the existing and incremental working capital requirement of our company	1000.00
4.	General Corporate Purposes <sup>#</sup>	402.07
	<b>Total Net Proceeds*</b>	<b>2,456.25</b>

*#Subject to the finalization of the basis of Allotment and the allotment of the Rights Equity Shares. The amount utilized for general corporate purposes shall not exceed 25% of the Issue Proceeds.*

*\*Assuming full subscription and Allotment of the Rights Equity Shares.*

For further details, please refer to the section titled “*Objects of the Issue*” beginning on page 50 of this Letter of Offer.

### SUBSCRIPTION TO THE ISSUE BY OUR PROMOTER AND PROMOTER GROUP

The Promoters and Promoter Group of our Company through their letter dated August 06 2024, have confirmed that they has not intend to subscribe in full extent of its Rights Entitlement in this Issue and that they will renounce their Rights Entitlements.

Any such subscription for Rights Equity Shares over and above their Rights Entitlement, if allotted, may result in an increase in their percentage shareholding in the Company. The allotment of Equity Shares of the Company subscribed by the Promoters and other members of the Promoter Group in this Issue shall be eligible for exemption from open offer requirements in terms of Regulation 10(4)(a) and 10(4)(b) of the SEBI (SAST) Regulations. The Issue shall not result in a change of control of the management of our Company in accordance with the provisions of SEBI (SAST) Regulations. Our Company is in compliance with Regulation 38 of the SEBI (LODR) Regulations and will continue to comply with the minimum public shareholding requirements under applicable law, pursuant to this Issue.

### SUMMARY OF OUTSTANDING LITIGATIONS

Nature of cases	Number of cases	Amount involved (₹ in Lacs)
<b>Litigations involving our Company</b>		
Litigation Involving Actions by Statutory/Regulatory Authorities	Nil	Nil
Litigation involving Tax Liabilities	Nil	Nil
Proceedings involving issues of moral turpitude or criminal liability on the part of our Company	Nil	Nil
Proceedings involving Material Violations of Statutory Regulations by our Company	Nil	Nil
Matters involving economic offences where proceedings have been initiated against our Company	Nil	Nil
Other proceedings involving our Company which involve an amount exceeding the Materiality Threshold or are otherwise material in terms of the Materiality Policy, and other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company	Nil	Nil
Litigation involving our Directors, Promoters and Promoter Group	Nil	Nil
Litigation involving our Group Companies	Nil	Nil

For further details, please refer to section titled “*Outstanding Litigations, Defaults and Material Developments*” beginning on page 113 of this Letter of Offer.

#### **RISK FACTORS**

For details of potential risks associated with our ongoing business activities and industry, investment in Equity Shares, material litigations which impact the business of the Company and other economic factors, please refer to the section titled “*Risk Factors*” beginning on page 20 of this Letter of Offer.

#### **CONTINGENT LIABILITIES**

For details of the contingent liabilities, as reported in the Financial Statements, please refer to the section titled “*Financial Statements*” beginning on page 102 of this Letter of Offer.

#### **RELATED PARTY TRANSACTIONS**

For details of the related party transactions, as reported in the Financial Statements, please refer to the section titled “*Financial Statements*” beginning on page 102 of this Letter of Offer.

#### **ISSUE OF EQUITY SHARES FOR CONSIDERATION OTHER THAN CASH IN THE LAST ONE YEAR**

Our Company has not issued any Equity Shares for consideration other than cash during the last 1 (One) year immediately preceding the date of filing this Letter of Offer.

## SECTION II RISK FACTORS

*An investment in Equity Shares involves a high degree of risk. You should carefully consider all the information in this Letter of Offer, including the risks and uncertainties described below, before making an investment in our Equity Shares. To obtain a better understanding, you should read this section together with "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 75 and 105 respectively, as well as the other financial and statistical information contained in this Letter of Offer. The risks and uncertainties described in this section are not the only risks that we may face. Additional risks and uncertainties not known to us or that we currently believe to be immaterial may also have an adverse effect on our business, results of operations, financial condition and prospects.*

*If any of the following risks, or other risks that are not currently known or are now deemed immaterial, actually occur, our cash flows, business, financial condition and results of operations could suffer, the price of our Equity Shares could decline, and you may lose all or part of your investment. The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are risks where the impact is not quantifiable and hence the same has not been disclosed in such risk factors. Investment 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. Before making an investment decision, investors must rely on their own examination of the Issue and us.*

*This Letter of Offer contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Letter of Offer. The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors below. However, there are risk factors the potential effects of which are not quantifiable and therefore no quantification has been provided with respect to such risk factors. In making an investment decision, prospective investors must rely on their own examination of our Company and the terms of the Issue, including the merits and the risks involved. You should not invest in this Issue unless you are prepared to accept the risk of losing all or part of your investment, and you should consult your tax, financial and legal advisors about the particular consequences to you of an investment in our Equity Shares.*

*In this Letter of Offer, any discrepancies in any table between total and the sums of the amount listed are due to rounding off. Any percentage amounts, as set forth in "Risk Factors" on page 20 and "Management Discussion and Analysis of Financial Condition and Results of Operations" on page 103 respectively of this Letter of Offer unless otherwise indicated, has been calculated on the basis of the amount disclosed in the "Financial Information of the Company" prepared in accordance with the Indian Accounting Standards.*

### **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.

### **INTERNAL RISK FACTORS**

- 1. We are required to obtain licenses and approvals under several legislations. 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 and renew various licenses and approvals under several legislations from time to time. As of the date of this Letter of Offer, our company has applied for various approvals amongst others, including, registration under Factories Act, 1948 for both our manufacturing units and applications for change of name of our Company post conversion from a private limited company to a public limited company. These approvals, licenses, registrations and permits are subject to several conditions and are

primarily valid for a specific period. For example, our trade license and licenses under FSS Act, 2006 are typically granted for a designated period of time 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 the outlet. 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.

**2. *Any non-compliance or delays in GST Return Filings and EPF Payments may expose us to penalties from the regulators.***

As a Company, we are required to file GST returns and make payments in respect of Employee Provident Fund with the respectively authorities. However, there are certain inadvertent delays in relation to filling of GST returns and EPF payments in the past for which the Company have paid the penalties and taken the steps to improve the internal system for payment of GST to mitigate the technical difficulties and the Company has appointed an external consultant to ensure timely payment of towards EPF. However, we cannot assure that we will not be subject to any legal proceeding or regulatory actions, including monetary penalties by statutory authorities on account of any inadvertent discrepancies in our GST filling or EPF payment in future, which may adversely affect our business, financial condition, and reputation.

**3. *We do not have long term agreements with suppliers for our raw materials and an increase in the cost of or a shortfall in the availability of such raw materials could have an adverse effect on our business, results of operations and financial condition.***

Production quantity and cost of our products are dependent on our ability to source raw materials and packaging materials at acceptable prices, and maintain a stable and sufficient supply of our major raw materials. Our key raw materials include pulses, spices like chillies, coriander powder and other additives. We source our raw materials from across the country to ensure that the products we manufacture have an authentic taste without artificially disturbing the natural taste of the spices or other food products. For instance, for our chilli powder we source our chillies from the farms of Guntur, Khammam, Warangal, Raichur, Byadgi, Malakpet, Hyderabad and our 'Srivari Whole Wheat Atta' and 'Sharbati Atta' is made from wheat grains which are sourced from Sehore, Vidisha and Sironj in Madhya Pradesh. Therefore, each of our products is made from the finest natural produce which caters to the genuine taste and an assurance of authenticity. There can be no assurance that we will be able to procure all of our future raw material requirements at commercially viable prices. Furthermore, in the event that such suppliers discontinue their supply to us or if we are unable to source quality raw material from other suppliers at competitive prices, we may not be able to meet our production and sales targets. Interruption of, or a shortage in the supply of, raw material may result in our inability to operate our production facilities at optimal capacities or at all, leading to a decline in production and sales. An inability to procure sufficient quality raw material at reasonable cost, or an inability to pass on any additional cost incurred on purchase of raw materials to our customers, may adversely affect our operations and financial conditions.

**4. *We depend on a few customers of our products, for a significant portion of our revenue, and any decrease in revenues or sales from any one of our key customers may adversely affect our business and results of operations.***

The percentage of Total Revenue from our top 10 customers were 70.24% and 81.57% in FY23 and FY24 respectively.

Our Company is engaged in the business of manufacturing spices and flour (chakki atta) and marketing and selling it in and around Telangana and Andhra Pradesh. Our business operations are highly dependent on our customers and the loss of any of our customers may adversely affect our sales and consequently on our business and results of operations. While we typically have long term relationships with our customers, we have not entered into long terms agreements with our customers and the success of our business is accordingly significantly dependent on us maintaining good relationships with our customers and suppliers. The actual sales by our Company may differ from the estimates of our management due to the absence of long-term agreements. The loss of one or more of these significant or key customers or a reduction in the amount of business we obtain from them could have an adverse effect on our business, results of operations, financial condition and cash flows. We cannot assure you that we will be able to maintain historic levels of business and/or negotiate and execute long term contracts on terms that are commercially viable with our significant customers or that we will be able to significantly reduce customer concentration in the future. If there occurs any change in the market conditions, requirements of our customers, or if we fail to identify and understand evolving industry trends, preferences or fail to meet our customers' demands, it might have a direct impact on our revenue and customer base. The inability to procure new orders or expand our customer base on a regular basis or at all may adversely affect our business, revenues, cash flows and operations.

5. ***We conduct our business activities on a purchase order basis and therefore, have not entered into long-term agreements with our customers.***

Our Company is engaged in the business of manufacturing spices and flour (chakki atta) significantly on the basis of orders which are received from our customers. We have not entered into any formal agreements, arrangement or any other understanding with our customers and therefore, our business is dependent upon the continuous relationship with the customers and the quality of products supplied to us. Further, neither do we have any exclusive agents, dealers, distributors nor have we entered into any agreements with any of the market intermediaries for selling or marketing the products supplied to us. If there occurs any change in the market conditions, market trends, requirements of our customers, or if we fail to identify and understand evolving industry trends, preferences or fail to meet our customers' demands, it might have a direct impact on our revenue and customer base. The inability to procure new orders on a regular basis or at all may adversely affect our business, revenues, cash flows and operations.

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

All the products that we manufacture are for human consumption and are subject to risks such as contamination, adulteration, and product tampering during their manufacture, transport or storage. Our raw materials and our products are required to be stored, handled, and transported at specific temperatures and under certain food safety conditions. Any shortcoming in the production or storage of our products due to negligence, human error or otherwise, may damage our products and result in non-compliance with applicable regulatory standards. Any allegation that our products contain contaminants could damage our reputation, adversely affect our sales and result in legal proceedings being initiated against us, irrespective of whether such allegations have any factual basis.

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

7. ***Our business is dependent on our processing units for few products. The loss of or shutdown of operations of our processing units may have a material adverse effect on our business, financial condition and results of operations.***

Our spices processing unit is subject to operating risks, such as the breakdown or failure of equipment, power supply or processes, performance below expected levels of output or efficiency, obsolescence,

labour disputes, lock-outs, earthquakes and other natural disasters, industrial accidents and the need to comply with the directives of relevant government authorities. The occurrence of any of these risks could significantly affect our operating results. We carry out planned shutdowns for maintenance. Although we take precautions to minimize the risk of any significant operational problems at our facilities, our business, financial condition and results of operations may be adversely affected by any disruption of operations at our facilities, including due to any of the factors mentioned above.

**8. *Our operations are considerably located in Telangana and Andhra Pradesh and failure to expand our operations may restrict our growth and adversely affect our business.***

Currently, we are carrying our business mainly in Telangana and Andhra Pradesh and hence our major revenues are generated from operations in these regions only. Geographical and functional expansion of our business domain requires establishment of adequate network. As we seek to diversify our regional focus, we may face the risk that our competitors may be better known in other markets, enjoy better relationships with customers. Our lack of exposure in geographical boundaries outside our operating regions could impact our future revenues, our operating results and financial conditions.

**9. *Our Company has ventured into manufacturing and trading of spices in 2019 and of whole wheat flour in 2021, and therefore has a very limited operating history of our operations with respect to the same, which will make it difficult for the investors to evaluate our historical performance or future prospects.***

Our Company started its business operations in 2019 by setting up a production facility at Survey number 234/4, and 234/5, Jalpally Village, Balapur Mandal, Jalpally Municipality, Ranga Reddy District, Telangana for manufacturing turmeric powder (*haldi*), chilli powder (*mirchi*) and coriander powder (*dhaniya*). In 2021, our Company expanded its business operations by manufacturing Srivari spices, continuing with its mission to provide genuine products, diversified into madras sambar masala, chicken masala, garam masala and mutton masala in pouches, boxes and bottles. In 2021, our Company was awarded with the title of 'Best Emerging Spices Brand- 2021' by Business Mint. Further, in the year 2021, our Company expanded its business operations by setting up a new manufacturing unit at Raikal Village, Farooqnagar Mandal, Ranga Reddy District, Telangana. Lastly, in 2022 we introduced a new product category by manufacturing whole wheat flour (*chakki atta*). Since, we have a limited operating history of manufacturing spices and whole wheat flour (*chakki atta*), we may not have sufficient experience to address the risks related to the manufacturing of the said products. Due to our limited experience, we may not be able to identify the risks involved in such operations and therefore could fail to achieve timely fulfilment of our orders and the quality requirement of our products. Since we are not abreast with the market, we may not be successful in identifying our competitors or keeping up with the requirements of the customer base. We may face difficulty in understanding the demand and supply patterns, marketing segments for such products which may pose a risk in the smooth operation, and working of our proposed manufacturing unit. In the event that we fail to understand the market operations and the risks related to the same, our business, financial performance and cash flows may be affected.

**10. *Our continued operations are critical to our business and any shutdown of our manufacturing units may adversely affect our business, results of operations and financial condition.***

Our manufacturing units are located in Hyderabad. As a result, any local social unrest, natural disaster or breakdown of services and utilities in these areas could have material adverse effect on the business, financial position and results of our operations. Our current manufacturing units are subject to operating risks, such as breakdown or failure of equipment, power supply or processes, reduction or stoppage of water supply, performance below expected levels of efficiency, obsolescence, natural disasters, industrial accidents and the need to comply with the directives of relevant government authorities.

In the event, we are forced to shut down our manufacturing units for a prolonged period; it would adversely affect our earnings, our other results of operations and financial condition as a whole. Spiralling cost of living around our units may push our manpower costs in the upward direction, which may reduce our margin and cost competitiveness. For instance, due to the ongoing pandemic and the lockdown imposed by the Central Government and various state governments, we may be required to shut down our

manufacturing units which may cause an adverse impact on our business operations, revenue, results of operations and financial conditions.

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

***11. Any failure in our quality control processes may adversely affect our business, results of operations and financial condition. We may face product liability claims and legal proceedings if the quality of our products does not meet our customers' expectations.***

Our products may contain certain quality issues or undetected errors, due to defects in manufacture of products or raw materials which are used in the products. We have implemented quality control processes for our raw materials and finished goods on the basis of internal quality standards. However, we cannot assure you that our quality control processes or our product will pass the quality tests and inspections conducted by various agencies as per their prescribed standards will not fail. Any shortcoming in the raw materials procured by us or in the production of our products due to failure of our quality control procedures, negligence and human error or otherwise, may damage our products and result in deficient products. It is imperative for us to meet the regulatory quality standards set by regulatory agencies and our customers as deviation from the same can cause them to reject our products and can also cause damage to our reputation, market standing and brand value.

In the event the quality of our products is sub-standard or our products suffer from defects and are returned by our customers due to quality complaints, we might be compelled to take back the sub-standard products and reimburse the cost paid by our customers. Such quality lapses could strain our longstanding relationship with our customers and our reputation and brand image may suffer, which in turn may adversely affect our business, results of operations and financial condition. Our customers may lose faith in the quality of our products and could in turn refuse to further deal in our products, which could have a severe impact on our revenue and business operations. We also face the risk of legal proceedings and product liability claims being brought against us by our customers for defective products sold. We cannot assure you that we will not experience any material product liability losses in the future or that we will not incur significant costs to defend any such claims. A product liability claim may adversely affect our reputation and brand image, as well as entail significant costs.

***12. Any adverse change in regulations governing our products and the products of our customers, may adversely impact our business prospects and results of operations.***

Regulatory requirements with respect to our products and the products of our customers are subject to change. An adverse change in the regulations governing the development of our products and their usage by our customers, including the development of licensing requirements and technical standards and specifications or the imposition of onerous requirements, may have an adverse impact on our operations. Our Company may be required to alter our manufacturing and/or distribution process and target markets and incur capital expenditure to achieve compliance with such new regulatory requirements applicable to us and our customers.

We cannot assure you that we will be able to comply with the regulatory requirements. If we fail to comply with new statutory or regulatory requirements, there could be a delay in the submission or grant of approval for manufacturing and marketing new products or we may be required to withdraw existing products from the market. Moreover, if we fail to comply with the various conditions attached to such approvals, licenses, registrations and permissions once received, the relevant regulatory body may suspend, curtail or revoke our ability to market such products and/or we may be deemed to be in breach of our arrangements with our customers. Consequently, there is an inherent risk that we may inadvertently fail to

comply with such regulations, which could lead to forced shutdowns and other sanctions imposed by the relevant authorities, as well as the withholding or delay in receipt of regulatory approvals for our new products, which may adversely impact our business, results of operations and financial condition.

**13. *Our inability to expand or effectively manage our sales and marketing network may have an adverse effect on our business, results of operations and financial condition.***

The efficiency of the marketing and sales network is critical to the success of our Company. Our success lies in the strength of our relationship with our customers who have been associated with our Company. Our Company has a unique business model, wherein we market and sell our products directly to our customers, without involving any major intermediaries, which helps us provide complete revenue share to the farmers and provide cost competitive and affordable products to our customers. We manufacture unadulterated products and do not add any preservatives in our products. We sustain our products by manufacturing and packaging products in quantities which are proportionate to the shelf life of our product, in order to avoid wastage and deliver a wide range of products which carry the freshness and goodness of each ingredient. Our business has two model first is direct to customer (“D2C”) in nature, wherein we deliver our products directly at the doorstep of our customers using approximately 15,000 retail stores. Secondly, we also work in business to business (“B2B”), wherein we deliver our products to the suppliers directly for sell to their consumers. Therefore, once the product is consumed by our customers, they place an order for the product and this helps us maintain a cyclic and continuous relationship with our customers. We do not have a distribution or a third-party marketing network, therefore we are highly dependent upon our internal sales and marketing teams.

We continuously seek to increase the penetration of our products with the continuous efforts of our sales and marketing teams by targeting different customer groups. We cannot assure you that we will be able to successfully deploy the efforts of our sales and marketing teams or effectively manage our existing network. If the terms offered to our sales and marketing executives by our competitors are more favourable than those offered by us, our sales and marketing executives may decline to distribute our products and terminate their arrangements with us. We may be unable to appoint replacement of our sales and marketing executives in a timely fashion, or at all, which may reduce our sales volumes and adversely affect our business, results of operations and financial condition.

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

We are exposed to payment delays and/or defaults by our customers. Our financial position and financial performance are dependent on the creditworthiness of our customers. As per our business network model, we supply our products directly to our customers without taking any advance payment or security deposit against the orders placed by them. Such delays in payments may require our Company to make a working capital investment. We cannot assure you that payments from all or any of our customers will be received in a timely manner or to that extent will be received at all. If a customer defaults in making its payments on an order on which our Company has devoted significant resources, or if an order in which our Company has invested significant resources is delayed, cancelled or does not proceed to completion, it could have a material adverse effect on our Company’s results of operations and financial condition.

There is no guarantee on the timeliness of all or any part of our customers’ payments and whether they will be able to fulfil their obligations, which may arise from their financial difficulties, deterioration in their business performance, or a downturn in the global economy. If such events or circumstances occur, our financial performance and our operating cash flows may be adversely affected.

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

Our business requires a significant amount of working capital. As per our settled business terms, we require our customers to pay the full amount of the consideration only after they receive the order, as a result, significant amounts of our working capital are often required to finance the purchase of raw material and execution of manufacturing processes before payment is received from our customers. Further, we are also required to meet the increasing demand and for achieving the same, adequate stocks have to be maintained which requires sufficient working capital. In the event, we are unable to source the required amount of working capital for addressing such increased demand of our products, we might not be able to

efficiently satisfy the demand of our customers. Even if we are able to source the required amount of funds, we cannot assure you that such funds would be sufficient to meet our cost estimates and that any increase in the expenses will not affect the price of our products.

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

All of these factors may result, in increase in the amount of receivables and short-term borrowings. If we decide to raise additional funds through the incurrence of debt, our interest and debt repayment obligations will increase, and could have a significant effect on our profitability and cash flows and we may be subject to additional covenants, which could limit our ability to access cash flows from operations. Any issuance of equity, on the other hand, could result in a dilution of your shareholding. Accordingly, continued increases in our working capital requirements may have an adverse effect on our financial condition and results of operations.

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

We are dependent on information technology system in connection with carrying out our business activities and such systems form an integral part of our business. Any failure of our information technology systems could result in business interruptions, including the loss of our customers, loss of reputation and weakening of our competitive position, and could have a material adverse effect on our business, financial condition and results of operations. Additionally, our information technology systems, specifically our software may be vulnerable to computer viruses, piracy, hacking or similar disruptive problems. Computer viruses or problems caused by third parties could lead to disruptions in our business activities. Fixing such problems caused by computer viruses or security breaches may require interruptions, delays or temporary suspension of our business activities, which could adversely affect our operations. Breaches of our information technology systems may result in unauthorized access to confidential information. Such breaches of our information technology systems may require us to incur further expenditure to put in place advanced security systems to prevent any unauthorised access to our networks. In the event, any breach of our systems or software leads to the leaking of our trade secrets or any inventive techniques devised by our Company, it might lead to loss of our originality in the market and increase the chance of our products being substituted by the products of our competitors.

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

- 17. *Relevant copies of educational qualifications of our Promoters, Directors and Senior Management are not traceable.***

Relevant copies of the educational qualifications of our Promoters, Directors and Senior Management. are not traceable. The information included in the section are based on the affidavits obtained from the Promoters, Directors and Senior Management. Consequently, we or the Book Running Lead Manager cannot assure you that such information in relation to the particular Promoters are true and correct and you should not place undue reliance on the experience and qualification of our management included in this Letter of Offer.

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

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

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

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

To ensure smooth functioning of our manufacturing operations, we need to maintain continuous supply and transportation of the raw materials required from the supplier to our manufacturing units and transportation of our products from our units to our customers, which may be subject to various uncertainties and risks. We are significantly dependent on third party transportation providers for the delivery of raw materials to us and delivery of our products to our customers. Uncertainties and risks such as transportation strikes or delay in supply of raw materials and products could have an adverse effect on our supplies and deliveries to and from our customers and suppliers. Additionally, raw materials and products may be lost or damaged in transit for various reasons including occurrence of accidents or natural disasters. A failure to maintain a continuous supply of raw materials or to deliver our products to our distribution intermediaries in a timely, efficient and reliable manner could adversely affect our business, results of operations and financial condition.

Further, we have not entered into any long-term agreements with our transporters for our manufacturing units and the costs of transportation are generally based on mutual terms and the prevailing market price. In the absence of such agreements, we cannot assure that the transport agencies would fulfill their obligations or would not commit a breach of the understanding with us. In the event that the finished goods or raw materials suffer damage or are lost during transit, we may not be able to prosecute the agencies due to lack of formal agreements. Further, the transport agencies are not contractually bound to deal with us exclusively, we may face the risk of our competitors offering better terms or prices, which may cause them to cater to our competitors alongside us or on a priority basis, which could adversely affect our business, results of operations and financial condition.

**20. *Our Company has experienced negative cash flow in the past and may continue to do so in the future,***

***which could have a material adverse effect on our business, prospects, financial condition, cash flows and results of operations.***

Our Company has experienced negative net cash flow in operating and investing activities in the past, the details of which are provided below:

(₹ in lacs)	
Particulars	March 31, 2024
Net Cash Flow from/(used in) Operating Activities	(1,055.68)
Net cash generated from/(used in) investing activities	(178.84)

We may incur negative cash flows in the future which may have a material adverse effect on our business, prospects, results of operations and financial condition.

**21. *Our Company has availed certain unsecured loans which may be recalled at any time.***

Our Company has availed certain unsecured loans of which an amount of ₹ 454.31 lakhs is outstanding for the Financial Year ended March 31, 2024, which may be recalled at any time. In the event, any of such unsecured lenders seek a repayment of any these loans, our Company would need to find alternative sources of financing, which may not be available on commercially reasonable terms, or at all. If we are unable to arrange for any such financing arrangements, we may not have adequate working capital to undertake new projects or complete our ongoing projects. Therefore, any such demand may adversely affect our business, financial condition and results of operations.

**22. *Our inability to manage inventory in an effective manner could affect our business.***

Our business model requires us to maintain a certain level of inventory to meet the present and future orders. If we underestimate the orders that we may receive we may experience inventory shortages and a loss of opportunity. Similarly, an over estimation of orders may result in over stocking leading to increased holding costs. Additionally, any over run in holding of such goods may lead to their decay. Therefore, any mismanagement on our part to determine the optimum inventory levels may impact our operations and cause us to incur losses.

**23. *If our Company is unable to protect its intellectual property, or if our Company infringes on the intellectual property rights of others, our business may be adversely affected. In the event, any actions of our Company qualifies as a breach of any of the clauses of this deed, it could have a material impact on our goodwill, business operations, financial condition and results of operations.***

Our Company has created a brand presence with our brand-name “Srivari”. Our Company’s success largely depends on our brand name and brand image, therefore we have trademarked our brand logo differentiating our Company’s products from that of our competitors. Our current logo has been registered under the Trademarks Act, 1999. The details of the trademarks can be seen in the chapters titled, “***Our Business- ‘Intellectual Property Rights’***” and “***Government and other Statutory Approvals- ‘Intellectual Property Related Approvals’***” on pages 82 and 116 of this Letter of Offer.

We believe that there may be other companies or vendors which operate in the unorganized segment using our trade name or brand names. Any such activities may harm the reputation of our brand and sales of our products, which could in turn adversely affect our financial performance. We rely on protections available under Indian law, which may not be adequate to prevent unauthorized use of our intellectual property by third parties. Furthermore, the application of laws governing intellectual property rights in India is uncertain and evolving, and could involve substantial risks to us. Notwithstanding the precautions we take to protect our intellectual property rights, it is possible that third parties may copy or otherwise infringe on our rights, which may have an adverse effect on our business, results of operations, cash flows and financial condition. We may need to litigate third parties in order to prevent them from misusing our trademarks or brand names and any such litigation could be time consuming and the outcome cannot be guaranteed. We may not be able to detect any unauthorized use or take appropriate and timely steps to

enforce or protect its intellectual property, which could adversely affect our business, results of operations and financial condition.

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

Our manufacturing unit's significant electricity requirements and any interruption in the supply of power may temporarily disrupt our operations. Since, we have a high-power consumption, any unexpected or unforeseen increase in the tariff rates can increase the operating cost of our manufacturing units and thereby cause an increase in the production cost which we may not be able to pass on to our customers. There are limited number of electricity providers in the areas from where we operate due to which in case of a price hike, we may not be able to find a cost-effective substitute, which may negatively affect our business, financial condition, cash flows and results of operations. For further details, please refer to the chapter titled "***Our Business***" on page 82 of this Letter of Offer.

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

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

Further, some of our competitors may be larger than we are or develop alliances to compete against us and may have greater resources, market presence and geographic reach and have products with better brand recognition than ours. Some of our competitors may be able to procure raw materials at lower costs than us, and consequently be able to sell their products at lower prices. As a result, our competitors may be able to withstand industry downturns better than us or provide customers with products at more competitive prices. Some of our international competitors may be able to capitalize on their overseas experience to compete in the Indian market. Consequently, we cannot assure you that we will be able to compete successfully in the future against our existing or potential competitors or that our business and results of operations will not be adversely affected by increased competition. We cannot assure you that we will be able to maintain our existing market share. Our competitors may significantly increase their marketing expenses to promote their brands and products, which may require us to similarly increase our advertising and marketing expenses and engage in effective pricing strategies, which we may not be able to pass on to our customers which in turn may have an adverse effect on our business, results of operations and financial condition. For further details, please see "***Industry Overview***" on page 69 **Error! Bookmark not defined.** of this Letter of Offer.

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

Our Promoters, Directors and Key Managerial Personnel, may be deemed to be interested in our Company, in addition to the regular remuneration or benefits, reimbursements of expenses, Equity Shares held by them or their relatives, their dividend or bonus entitlement, benefits arising from their directorship in our Company. Our Promoters, Director and Key Managerial Personnel may also be interested to the extent of

any transaction entered into by our Company with any other company or firm in which they are directors or partners.

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

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

Upon completion of this Issue, our Promoters and members of our Promoter Group will collectively hold 69.94 % of the Equity share capital of our Company. As a result, our Promoters will have the ability to exercise significant influence over all matters requiring shareholders' approval. Accordingly, our Promoters will continue to retain significant control, including being able to control the composition of our Board of Directors, determine decisions requiring simple or special majority voting of shareholders, undertaking sale of all or substantially all of our assets, timing and distribution of dividends and termination of appointment of our officers, and our other shareholders may be unable to affect the outcome of such voting. There can be no assurance that our Promoters will exercise their rights as shareholders to the benefit and best interests of our Company. Further, such control could delay, defer or prevent a change in control of our Company, impede a merger, consolidation, takeover or other business combination involving our Company, or discourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of our Company even if it is in our Company's best interest. The interests of our Promoters could conflict with the interests of our other equity shareholders, and our Promoters could make decisions that materially and adversely affect your investment in the Equity Shares.

***28. The average cost of acquisition of Equity Shares held by our Promoters could be lower than the Issue Price.***

Our Promoters' average cost of acquisition of Equity Shares in our Company may be lower than the Issue Price which is proposed to be determined on a fixed price basis. For further details regarding average cost of acquisition of Equity Shares by our Promoters in our Company and build-up of Equity Shares by our Promoters in our Company, please refer to the chapter titled "***Capital Structure***" on page 48 of this Letter of Offer.

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

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

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

As of March 31, 2024, we have entered into several related party transactions with our Promoters, individuals and entities forming a part of our promoter group relating to our operations. In addition, we have in the past also entered into transactions with other related parties. For further details, please refer to the chapter titled — "***Financial Information***" at page 102.

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

**31. *Our Promoter has extended personal guarantees with respect to various loan facilities availed by our Company. Revocation of any or all of these personal guarantees may adversely affect our business operations and financial condition.***

Our Promoter has extended certain personal guarantees in favour of certain banks / financial institutions with respect to various facilities availed by our Company from them. In the event any of these guarantees are revoked, our lenders may require us to furnish alternate guarantees or may demand a repayment of the outstanding amounts under the said facilities sanctioned or may even terminate the facilities sanctioned to us. There can be no assurance that our Company will be able to arrange such alternative guarantees in a timely manner or at all. Further, if our lenders enforce any of the restrictive covenants or exercise their options under the relevant debt financing arrangement, our operations and use of assets may be significantly hampered and lenders may demand the payment of the entire outstanding amount and this in turn may also affect our further borrowing abilities thereby adversely affecting our business and operations.

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

We have entered into agreements for our borrowings with certain lenders. These borrowings include secured fund based and non-fund-based facilities. These agreements include restrictive covenants which mandate certain restrictions in terms of our business operations such as change in capital structure, formulation of any scheme of amalgamation or reconstruction, declaring dividends, further expansion of business, granting loans to directors, repaying unsecured loans from third parties, undertake guarantee obligations on behalf of any other borrower, which require our Company to obtain prior approval of the lenders for any of the above activities. We cannot assure you that our lenders will provide us with these approvals in the future.

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

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

**33. *Stringent food safety, consumer goods, health and safety laws and regulations may result in increased liabilities and increased capital expenditures.***

Our operations are subject to stringent health and safety laws as our products are for human consumption and are therefore subject to various industry specific regulations. We may also be subject to additional regulatory requirements due to changes in governmental policies. Further, we may also incur additional

costs and liabilities related to compliance with these laws and regulations that are an inherent part of our business. We are subject to various central, state and local food safety, consumer goods, health and safety and other laws and regulations. These laws and regulations are increasingly becoming stringent and may in the future create substantial compliance or remediation liabilities and costs. These laws may impose liability for non-compliance, regardless of fault. Other laws may require us to investigate and remediate contamination at our facilities and production processes. While we intend to comply with applicable regulatory requirements, it is possible that such compliance may prove restrictive, costly and onerous and an inability to comply with such regulatory requirement may attract penalty. For details see, “*Government and Other Approvals*” beginning on page 116.

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

For the Financial Year ended on March 31, 2024 our Company’s total outstanding secured loans are ₹ 254.56 lacs. In addition to the indebtedness for our existing operations, we may incur further indebtedness during the course of our business. We cannot assure you that we will be able to obtain further loans at favourable terms. Increased borrowings, if any, may adversely affect our debt-equity ratio and our ability to borrow at competitive rates. In addition, we cannot assure you that the budgeting of our working capital requirements for a particular year will be accurate. There may be situations where we may under-budget our working capital requirements, which may lead to delays in arranging additional working capital requirements, loss of reputation, levy of liquidated damages and can cause an adverse effect on our cash flows.

Any failure to service our indebtedness or otherwise perform our obligations under our financing agreements entered with our lenders or which may be entered into by our Company, could trigger cross default provisions, penalties, acceleration of repayment of amounts due under such facilities which may cause an adverse effect on our business, financial condition and results of operations.

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

As on date, we have not made any alternate arrangements for meeting our capital requirements for the Objects of the Issue. We meet our capital requirements through our bank finance, unsecured loans, owned funds and internal accruals. Any shortfall in our net owned funds, internal accruals and our inability to raise debt in future would result in us being unable to meet our capital requirements, which in turn will negatively affect our financial condition and results of operations. Further, we have not identified any alternate source of funding and hence any failure or delay on our part to raise money from this issue or any shortfall in the issue proceeds may delay the implementation schedule and could adversely affect our growth plans. For further details, please refer to the chapter titled “*Objects of the Issue*” beginning on page 50 of this Letter of Offer.

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

The growth and success of our Company’s future significantly depends upon the experience of our Promoters and continued services and the management skills of our Key Managerial Personnel and the guidance of our Promoters and Directors for development of business strategies, monitoring its successful implementation and meeting future challenges. We believe the expertise, experience and continued efforts of our Key Managerial Personnel and their inputs are valuable for the operations of our Company. Our future success and growth depend largely on our ability to attract, motivate and retain the continued service of our highly skilled management personnel. Our Company has never been faced with a challenge of high rate of attrition of our Key Management Personnel in the past, however, any attrition of our experienced Key Managerial Personnel, would adversely impact our growth strategy. We cannot assure you that we will

be successful in recruiting and retaining a sufficient number of personnel with the requisite skills to replace those Key Managerial Personnel who leave. In the event we are unable to motivate and retain our key managerial personnel and thereby lose the services of our highly skilled Key Managerial Personnel may adversely affect the operations, financial condition and profitability of our Company and thereby hampering and adversely affecting our ability to expand our business. For further details on our Directors and Key Managerial Personnel, please refer to the chapter titled — “**Our Management**” on page 98 of this Letter of Offer.

- 37. *Our Registered Office, our Corporate Office and one of our manufacturing units are located on premises which is not owned by us and has been obtained on lease basis. Disruption of our rights as licensee/ lessee or termination of the agreements with our licensors/ lessors would adversely impact our manufacturing operations and, consequently, our business, financial condition and results of operations.***

As on the date of this Letter of Offer, our Registered Office, our Corporate Office and one of our manufacturing units are located on properties taken on lease basis from various lessors. There can be no assurance that our Company will be able to successfully renew the said lease agreements in a timely manner or at all or on terms favourable to us. Further, there can be no assurance that we will not face any disruption of our rights as a lessee and that such lease agreements will not be terminated prematurely by the lessor. Any such non-renewal or early termination or any disruption of our rights as lessee will adversely affect our business, financial conditions and results of operations. For further details, see “**Our Business - Properties**” on page 82.

- 38. *Any defect in title/ ownership of owner (s) (including the Promoters/ Promoter Group), from whom the Company has bought space/ taken space on lease, may adversely affect the operations of the Company resulting in loss of business.***

With a view to expand the Company’s business, the Company has acquired/ taken on leave and license basis various properties and entered into various contractual agreements with third parties. Any defect in the title/ ownership of such third parties with whom the Company has entered into such agreements may adversely affect the operations of the Company resulting in loss of business.

- 39. *Land on which our Registered Office, our Corporate Office and one of our manufacturing units is located are not owned by us. In the event, we are unable to renew the rent/leave and license agreements, or if such agreements are terminated, we may suffer a disruption in our operations.***

Our Company does not own the land on which our Registered Office, our Corporate Office and one of our manufacturing units are located. The land has been taken on lease from one of our Promoters, Neihaa Rathi and other third parties. If we do not comply with certain conditions of the lease, it may lead to termination of the lease which would have an adverse effect on our operations and there can be no assurance that renewal of lease agreement will be entered into. In the event of non-renewal of lease, we may be required to shift our manufacturing facility to a new location and there can be no assurance that the arrangement our Company enter into in respect of new premises would be on such terms and conditions as the present one. For details on properties taken on lease by us please refer to the Section titled “**Our Business**” beginning on page 82 of this Letter of Offer.

- 40. *If we are unable to maintain and enhance our brand and reputation, the sales of our products may suffer which would have a material adverse effect on our business operations.***

Our business depends significantly on the strength of our brand and reputation in marketing and selling our products. We also believe that maintaining and enhancing the “*Srivari*” brand, is critical to maintaining and expanding our customer base. We believe that continuing to develop awareness of our brand, through focused and consistent branding and marketing initiatives is important for our ability to increase our sales volumes and our revenues, grow our existing market share and expand into new markets. Consequently, product defects, consumer complaints, or negative publicity or media reports involving us, or any of our products could harm our brand and reputation and may dilute the impact of our branding and marketing initiatives and adversely affect our business and prospects. In addition, adverse publicity about any

regulatory or legal action against us could damage our reputation and brand image, undermine our consumers' confidence in us and reduce long-term demand for our products, even if the regulatory or legal action is unfounded or immaterial to our operations.

**41. *Information relating to the historical capacity of our production facilities included in this Letter of Offer is based on various assumptions and estimates and future production and capacity may vary.***

Information relating to the historical capacity of our production facilities included in this Letter of Offer is based on various assumptions including those relating to availability of raw materials and operational efficiencies. Actual production levels and rates may differ significantly from the production capacities. Undue reliance should therefore not be placed on our historical capacity information for our existing facilities included in this Letter of Offer.

**42. *The requirement of funds in relation to the objects of the Issue has not been appraised.***

We intend to use the proceeds of the Issue for the purposes described in the section titled "*Objects of the Issue*" on page 50. The objects of the Issue have not been appraised by any bank or financial institution. These are based on management estimates and current conditions and are subject to changes in external circumstances or costs, or in other financial condition, business or strategy. Based on the competitive nature of the industry, we may have to revise our management estimates from time to time and consequently our funding requirements may also change. The deployment of the funds towards the objects of the issue is entirely at the discretion of the Board of Directors/Management and is not subject to monitoring by external independent agency. However, the deployment of funds is subject to monitoring by our Audit Committee. Any inability on our part to effectively utilize the Issue proceeds could adversely affect our financials.

**43. *Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates and have not been independently appraised, and may be subject to change based on various factors, some of which are beyond our control***

Our funding requirements and deployment of the Net Proceeds are based on internal management estimates based on current market conditions, and have not been appraised by any bank or financial institution or other independent agency. Furthermore, in the absence of such independent appraisal, our funding requirements may be subject to change based on various factors which are beyond our control. For further details, please see the section titled "*Objects of the Issue*" beginning on page 50 of this Letter of Offer.

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

Our operations are subject to inherent risks and hazards which may adversely impact our profitability, such as breakdown, malfunctions, sub-standard performance or failures of manufacturing equipment, fire, riots, third party liability claims, loss-in-transit for our products, accidents and natural disasters. Presently, we maintain insurance cover for insuring our plant and machinery situated at our manufacturing units against loss or damage by fire, earthquake, terrorism, spoilage, impact damage due to road or rail services, etc. There are many events that could cause significant damages to our operations, or expose us to third-party liabilities, whether or not known to us, for which we may not be insured or adequately insured, which in turn may expose us to certain risks and liabilities. There can be no assurance that our insurance policies will be adequate to cover the losses in respect of which the insurance had been availed. Further, there can be no assurance that any claim under the insurance policies maintained by us will be honoured fully, in part, or on time. If we were to incur a significant liability for which we were not fully insured, it could adversely affect our results of operations and financial position.

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

Our ability to pay dividends in future will depend on our earnings, financial condition and capital requirements. We may be unable to pay dividends in the near or medium term, and our future dividend policy will depend on our capital requirements and financing arrangements in respect of our operations, financial condition and results of operations. Our Company has not declared dividends in the past, and there can be no assurance that our Company will declare dividends in the future also.

***46. Increased losses due to fraud, employee negligence, theft or similar incidents may have an adverse impact on us.***

Our business and the industry in which we operate are vulnerable to the problem of pilferage by employees, damage, misappropriation of cash and inventory management and logistical errors. An increase in product losses due to such factors at our place of operation may require us to install additional security and surveillance equipment and incur additional expenses towards inventory management and handling. We cannot assure you whether these measures will successfully prevent such losses. Further, there are inherent risks in cash management as part of our operations, which include theft and robbery, employee fraud and the risks involved in transferring cash to banks. Additionally, in case of losses due to theft, financial misappropriation, fire, breakage or damage caused by other casualties, we cannot assure you that we will be able to recover from our insurers the full amount of any such loss in a timely manner, or at all. In addition, if we file claims under an insurance policy it could lead to increases in the insurance premiums payable by us or the termination of coverage under the relevant policy.

***47. We have not independently verified certain data in this Letter of Offer.***

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

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

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

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

***49. The Equity Shares have never been publicly traded and the Issue may not result in an active or liquid***

***market for the Equity Shares.***

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

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

***50. There is no guarantee that the Equity Shares issued pursuant to the Issue will be listed on the SME Platform of National Stock Exchange of India Limited in a timely manner or at all.***

In accordance with Indian law and practice, permission for listing and trading of the Equity Shares 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 issuance of Equity Shares to be submitted. There could be a failure or delay in listing the Equity Shares on the SME Platform of National Stock Exchange of India Limited due to delay in submission of required documents/completion of formalities/compliance with required laws by the issuer. Any failure or delay in obtaining the approval would restrict your ability to dispose of your Equity Shares.

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

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

***52. The price of the Equity Shares may be highly volatile after the Issue.***

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

***53. You will not be able to sell immediately on the Stock Exchanges any of the Equity Shares you purchase in the Issue.***

The Equity Shares will be listed on the Emerge Platform of National Stock Exchange of India Limited. Pursuant to Indian regulations, certain actions must be completed before the Equity Shares can be listed

and trading may commence. Upon receipt of final approval from the Stock Exchanges, trading in the Equity Shares is to commence within six (6) working days of the date of closure of the Issue or such other time as may be prescribed by SEBI.

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

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

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

***55. The price of the Equity Shares may be volatile, which could result in substantial losses for investors acquiring the Equity Shares in the Issue.***

The market price of the Equity Shares may be volatile and could fluctuate significantly and rapidly in response to, among others, the following factors, some of which are beyond our control:

- volatility in the Indian and global securities market or in the value of the Rupee relative to the U.S. Dollar, the Euro and other foreign currencies;
- our profitability and performance;
- changes in financial analysts' estimates of our performance or recommendations;
- perceptions about our future performance or the performance of Indian companies in general;
- performance of our competitors and the perception in the market about investments in the real estate sector;
- adverse media reports about us or the Indian real estate sector;
- significant developments in India's economic liberalisation and deregulation policies;
- significant developments in India's fiscal and environmental regulations;
- economic developments in India and in other countries; and
- any other political or economic factors.

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

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

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

Any future issuance of the Equity Shares, convertible securities or securities linked to the Equity Shares by our Company may dilute your shareholding in our Company; adversely affect the trading price of the Equity Shares and our ability to raise capital through further issue of our securities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares. We cannot assure you that we will not issue additional Equity Shares. The disposal of Equity Shares by any of our Promoters and Promoter Group, or the perception that such sales may occur may significantly affect the trading price of the Equity Shares. We cannot assure you that our Promoters and Promoter Group will not dispose of, pledge or encumber their Equity Shares in the future.

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

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

- 58. Rights of shareholders under Indian laws may be more limited than under the laws of other jurisdictions.**

Indian legal principles related to corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights including in relation to class actions, under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as shareholder in an Indian company than as shareholder of a corporation in another jurisdiction.

## **EXTERNAL RISK FACTORS**

- 59. The novel coronavirus (Covid-19) pandemic outbreak and steps taken to control the same have significantly impacted our business, results of operations, financial condition and cash flows and further impact will depend on future developments, which are highly uncertain.**

The rapid and diffused spread of COVID-19 and global health concerns relating to this outbreak have had a severe negative impact on all businesses, including the real estate industry in which our Company operates and from where it derives substantial revenues and profits. The COVID-19 pandemic could continue to have an impact that may worsen for an unknown period of time. In view of the onslaught of the second wave of the virus and the likelihood of a third wave, this pandemic may continue to cause unprecedented economic disruption in India and in the rest of the world. The scope, duration and frequency of such measures and the adverse effects of COVID-19 remain uncertain and could be severe.

Further if in case due to any third or consequent wave of Coronavirus or surge in new and deadly variants of the Virus, if another lockdown is imposed in the country and further restrictions are imposed by the government, we may face huge losses and our business operations could be severely impacted. Any such restrictions could cause delays in the completion of our Projects and commitments made to clients, or cause damage to the goods in transit. Any of these consequences may result in loss of business and/or claims for compensation from our clients, which may have an adverse effect on our results of operations and financial condition.

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

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes may adversely affect our business, results of operations and prospects, to the extent that we are

unable to suitably respond to and comply with any such changes in applicable law and policy. For example, the Government of India implemented a comprehensive national goods and services tax (“GST”) regime with effect from July 1, 2017, that combined multiple taxes and levies by the Central and State Governments into a unified tax structure. Our business and financial performance could be adversely affected by any unexpected or onerous requirements or regulations resulting from the amendment of GST or any changes in laws or interpretation of existing laws, or the promulgation of new laws, rules and regulations relating to GST. The Government has enacted the GAAR which have come into effect from April 1, 2017.

The Government of India has announced the union budget for Fiscal 2021 and the Ministry of Finance has notified the Finance Act, 2021 (“Finance Act”) on March 28, 2021, pursuant to assent received from the President, and the Finance Act will come into operation with effect from July 1, 2020. 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 a material 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. Our Company has not made relevant provisions for the same, as on date. Any such decisions in future or any further changes in interpretation of laws may have an impact on our results of operations. Further, a of the Personal Data Protection Bill, 2019 (“Bill”) has been introduced before the Lok Sabha on December 11, 2019, which is currently being referred to a joint parliamentary committee by the Parliament. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations 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 impact the viability of our current businesses or restrict our ability to grow our businesses in the future.

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

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

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

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

***63. The ability of Indian companies to raise foreign capital may be constrained by Indian law.***

As an Indian Company, we are subject to exchange controls that regulate borrowing in foreign currencies, including those specified under FEMA. Such regulatory restrictions limit our financing sources for our projects under development and hence could constrain our ability to obtain financing on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that the required approvals will be granted to us without onerous conditions, or at all. Limitations on foreign debt may adversely affect our business growth, results of operations and financial condition.

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

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

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

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

***66. The extent and reliability of Indian infrastructure could adversely affect our Company's results of operations and financial condition.***

India's physical infrastructure is in developing phase compared to that of many developed nations. Any congestion or disruption in its port, rail and road networks, electricity grid, communication systems or any other public facility could disrupt our Company's normal business activity. Any deterioration of India's physical infrastructure would harm the national economy; disrupt the transportation of goods and supplies, and costs of doing business in India. These problems could interrupt our Company's business operations, which could have an adverse effect on its results of operations and financial condition.

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

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

***68. Terrorist attacks, civil unrests and other acts of violence or war involving India or other countries could adversely affect the financial markets, our business, financial condition and the price of our Equity Shares.***

Any major hostilities involving India or other acts of violence, including civil unrest or similar events that are beyond our control, could have a material adverse effect on India's economy and our business. Incidents such as the terrorist attacks, other incidents such as those in US, Indonesia, Madrid and London, and other acts of violence may adversely affect the Indian stock markets where our Equity Shares will

trade as well as the global equity markets generally. Such acts could negatively impact business sentiment as well as trade between countries, which could adversely affect our Company's business and profitability. Additionally, such events could have a material adverse effect on the market for securities of Indian companies, including the Equity Shares

## SECTION III INTRODUCTION

### THE ISSUE

This Issue has been authorized by a resolution of our Board passed at its meeting held on April, 17, 2024, pursuant to Section 62(1)(a) and other applicable provisions of the Companies Act, 2013. The terms and conditions of the Issue including the Rights Entitlement and Issue Price, have been approved by the Board of Directors in their meeting held on August 29, 2024. Further the Directors in their meeting held on August 29, 2024 have approved the Record Date and the Issue Schedule. The following is a summary of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, more detailed information in “Terms of the Issue” beginning on page 122.

<b>Equity Shares outstanding prior to the Issue</b>	71,42,000 Equity Shares
<b>Rights Equity Shares offered in the Issue</b>	Upto 14,28,400 Rights Equity Shares
<b>Equity Shares outstanding after the Issue (assuming full subscription for and allotment of the Rights Entitlement)</b>	85,70,400 Equity Shares
<b>Rights Entitlement</b>	1 Equity Shares for every 5 Equity Shares held on the Record Date
<b>Record Date</b>	September 04, 2024
<b>Face Value per Equity Share</b>	₹10.00/- (Rupees Ten Only) each
<b>Issue Price per Equity Share</b>	₹ 175/- (Rupees One Hundred Seventy Five Only) including a premium of ₹ 165/- (Rupees One Hundred Sixty Five Only) per Rights Equity Share
<b>Issue Size</b>	Upto 2,499.00 Lac.
<b>Terms of the Issue</b>	Please refer to the section titled “ <i>Terms of the Issue</i> ” beginning on page 122 of this Letter of Offer
<b>Use of Issue Proceeds</b>	Please refer to the section titled “ <i>Objects of the Issue</i> ” beginning on page 50 of this Letter of Offer
<b>Security Code/ Scrip Details<sup>#</sup></b>	<b>ISIN:</b> INE0ON201012 <b>NSE Scrip Code:</b> SSFL <b>ISIN for Rights Entitlements:</b> INE0ON220012

*#Our Company would obtain a separate ISIN for the Rights Equity Shares for each Call, as may be required under applicable law.*

*For details in relation fractional entitlements, see “Terms of the Issue - Fractional Entitlements” on page 122.*

#### Terms of payment

The full amount of the Issue Price being ₹ 175 (including the Premium of 165) will be payable on application.

<b>Due Date</b>	<b>Amount payable per Rights Equity Share (including premium)</b>
On the Issue application (i.e. along with the Application Form)	₹ 175/-

## GENERAL INFORMATION

Our Company was incorporated on January 29, 2019 as '*Srivari Spices and Foods Private Limited*', a private limited company under the Companies Act, 2013, pursuant to a certificate of incorporation dated January 30, 2019 issued by the Deputy Registrar of Companies, Central Registration Centre. Subsequently, our Company was converted into a public limited company pursuant to a resolution passed by our Shareholders at an extraordinary general meeting held on December 12, 2022 and consequently the name of our Company was changed to '*Srivari Spices and Foods Limited*' and a fresh certificate of incorporation dated December 27, 2022 was issued by the Registrar of Companies, Telangana at Hyderabad. The corporate identification number of our Company is **L15494TG2019PLC130131**.

### REGISTERED OFFICE OF OUR COMPANY

**Srivari Spices and Foods Limited**  
(Formerly Known as **Srivari Spices and Foods Private Limited**)

Shed No. 5-105/4/A, SY No.234/A

Sriram Industrial Area, Kattedan,

Jalpally, Hyderabad – 500 077,

Telangana, India.

**Telephone:** +91

90552 34567;

**E-mail:** [compliance@srivarispices.com](mailto:compliance@srivarispices.com);

**Investor grievance id:** [investor@srivarispices.com](mailto:investor@srivarispices.com);

**Website:** [www.srivarispices.com](http://www.srivarispices.com);

**CIN:** [L15494TG2019PLC130131](https://www.mca.gov.in)

**Corporate Office of our Company** (*Address at which the books of account of our Company are maintained*)

**Srivari Spices and Foods Limited**

4-1-875, 876, 877 and 877/1, RDB Blue Hope,

Tilak Road, Abids,

Hyderabad- 500 001,

Telangana, India

**Telephone:** +91 40 3576 8663

**E-mail:** [info@srivarispices.com](mailto:info@srivarispices.com)

**Details of Changes in the Registered Office:**

Our company did not change its registered office from listing.

### ADDRESS OF THE REGISTRAR OF COMPANIES

**Registrar of Companies, Telangana**

2<sup>nd</sup> floor, Corporate Bhawan,

GSI Post, Tattiannaram Nagole,

Bandlaguda Hyderabad - 500 068,

Telangana, India.

**Tel:** 040-29805427/29803827/29801927

**Fax:** 040-29803727

**Email:** [roc.hyderabad@mca.gov.in](mailto:roc.hyderabad@mca.gov.in)

**Website:** [www.mca.gov.in](http://www.mca.gov.in)

### COMPANY SECRETARY AND COMPLIANCE OFFICER

**Ms. Sushma Barla,**

4-1-875, 876, 877 and 877/1, RDB Blue Hope,

Tilak Road, Abids,

Hyderabad- 500 001,

Telangana, India.

**Telephone:** +91 88558 90576;

E-mail: [compliance@srivarispices.com](mailto:compliance@srivarispices.com)

#### CHIEF FINANCIAL OFFICER

**Ms. Naveena Chepur**

4-1-875, 876, 877 and 877/1, RDB Blue Hope,  
Tilak Road, Abids,  
Hyderabad- 500 001,  
Telangana, India

**Telephone:** +91 95639 56368

**E-mail:** [cfo@srivarispices.com](mailto:cfo@srivarispices.com)

#### STATUTORY AUDITORS OF OUR COMPANY

**M/s. Rao & Shyam**

Chartered Accountants

**Address:** 5-9-13, D. No. 110, Taramandal Complex,  
Saifabad, Hyderabad -500004, Telangana, India.

**Email ID:** [hyd@randsca.com](mailto:hyd@randsca.com)

**Tel No:** +91-6300463397

**Contact Person:** Kandarp Kamar Dudhoria

**Membership No.:** 228416

**Firm Registration No.:** 006186S

**Peer Review No.:** 013279

#### ADVISOR TO THE ISSUE

**GYR Capital Advisors Private Limited**

(Formerly known as Alpha Numero Services Private Limited)

428, Gala Empire, Near JB Tower, Drive in Road, Thaltej,  
Ahemdabad-380 054, Gujarat, India.

**Telephone:** +91 +91 877 756 4648

**Facsimile:** N.A.

**Email ID:** [info@gyrcapitaladvisors.com](mailto:info@gyrcapitaladvisors.com)

**Website:** [www.gyrcapitaladvisors.com](http://www.gyrcapitaladvisors.com)

**Investor Grievance ID:** [investors@gyrcapitaladvisors.com](mailto:investors@gyrcapitaladvisors.com)

**Contact Person:** Mr. Mohit Baid

**SEBI Registration Number:** INM000012810

**CIN:** U67200GJ2017PTC096908

#### REGISTRAR TO THE ISSUE

**BIGSHARE SERVICES PRIVATE LIMITED**

Address: Office No. S6-2, VI Floor, Pinnacle Business Park,  
Mahakali Caves Road, Andheri (E), Mumbai-400093

**Telephone:** +91-022-62638200 | Fax: +91-022-62638299

**Email:** [rightsissue@bigshareonline.com](mailto:rightsissue@bigshareonline.com)

**Investor Grievance:** [investor@bigshareonline.com](mailto:investor@bigshareonline.com)

**Website:** [www.bigshareonline.com](http://www.bigshareonline.com)

**Contact person:** Mr. Suraj Gupta

**SEBI Registration No:** INR000001385

Investors may contact the Registrar or our Company Secretary and Compliance Officer for any pre-Issue or post-Issue related matter. All grievances relating to the ASBA process with a copy to the SCSBs (in case of ASBA process), giving full details such as name, address of the Applicant, contact number(s), E-mail address of the sole/ first holder, folio number or demat account number, number of Rights Equity Shares applied for, amount blocked (in case of ASBA process), ASBA Account number and the Designated Branch of the SCSBs where the Application Form or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip (in case of ASBA process) ). For details on the ASBA process, see section titled “*Terms of the Issue*” beginning on page 122 of this Letter of Offer.

## BANKERS TO THE ISSUE / REFUND BANK

### AXIS BANK LIMITED

Titan Near K K V Circle, Kalawad Road,  
Rajkot – 360005, Gujarat, India

**Telephone number:** (0281) 6695999/8980800871/72

**E-mail:** [Vikas.mamtora@axisbank.com](mailto:Vikas.mamtora@axisbank.com)

**Website:** [www.axisbank.com](http://www.axisbank.com)

**Contact Person:** Mr. Vikas Mamtora

**SEBI Registration Number:** INBI00000017

**Corporate Identity Number (CIN):** L65110GJ1993PLC020769

## BANKERS TO THE COMPANY

### HDFC Bank Limited

Bank House 1,2,3,4,5,6,7,8 floor,  
Roxana Palladium, Banjara Hills, Road No.1,  
Hyderabad 500 034, Telangana, India.

**Email:** [vinod.g2@hdfcbank.com](mailto:vinod.g2@hdfcbank.com)

**Website:** [www.hdfcbank.com](http://www.hdfcbank.com)

**Contact Person:** Vinod G

## INTER-SE ALLOCATION OF RESPONSIBILITIES BETWEEN MERCHANT BANKERS

The Company has not appointed any Merchant Banker as the Issue size is less than ₹5,000 Lakh and hence there is no inter-se allocation of responsibilities.

## EXPERT

Except for the reports of the Auditor of our Company on the audited Financial Statements and Statement of Tax Benefits, included in this Letter of Offer, our Company has not obtained any expert opinions.

## SELF-CERTIFIED SYNDICATE BANKS

The list of banks that have been notified by SEBI to act as SCSB for the ASBA process is provided on <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>. Details relating to Designated Branches of SCSBs collecting the ASBA application forms are available at the above-mentioned link.

## ISSUE SCHEDULE

The subscription will open upon the commencement of the banking hours and will close upon the close of banking hours on the dates mentioned below:

<b>Last Date for credit of Rights Entitlements</b>	Monday, September 23, 2024
<b>Issue Opening Date</b>	Tuesday, September 24, 2024
<b>Last Date for On Market Renunciation of Rights Entitlements#</b>	Friday, September 27, 2024
<b>Issue Closing Date*</b>	Thursday, October 03, 2024
<b>Finalization of Basis of Allotment (on or about)</b>	Tuesday, October 08, 2024
<b>Date of Allotment (on or about)</b>	Friday, October 11, 2024
<b>Date of credit (on or about)</b>	Thursday, October 17, 2024
<b>Date of listing (on or about)</b>	Tuesday, October 15, 2024

*Note:*

*#Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date;*

*\*Our Board will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 (Thirty) days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.*

**Please note that if Eligible Equity Shareholders holding Equity Shares who have not provided the details of their demat accounts to our Company or to the Registrar to the Issue, they are required to provide their demat account details to our Company or the Registrar to the Offer not later than 2 (Two) Working Days prior to the Issue Closing Date, i.e., October 01, 2024 to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least 1 (One) day before the Issue Closing Date, i.e., October 02, 2024.**

**Investors are advised to ensure that the Applications are submitted on or before the Issue Closing Date. Our Company or the Registrar to the Issue will not be liable for any loss on account of non-submission of Applications on or before the Issue Closing Date. For details on submitting Application Forms, please refer to the section titled “Terms of the Issue” beginning on page 122 of this Letter of Offer.**

The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar to the Issue at [www.bigshareonline.com](http://www.bigshareonline.com) after keying in their respective details along with other security control measures implemented there at. For further details, please refer to the paragraph titled see “Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders” under the section titled “Terms of the Issue” beginning on page 122 of this Letter of Offer.

**Please note that if no Application is made by the Eligible Equity Shareholders of Rights Entitlements on or before Issue Closing Date, such Rights Entitlements shall get lapsed and shall be extinguished after the Issue Closing Date. No Equity Shares for such lapsed Rights Entitlements will be credited, even if such Rights Entitlements were purchased from market and purchaser will lose the premium paid to acquire the Rights Entitlements. Persons who are credited the Rights Entitlements are required to make an application to apply for Equity Shares offered under Rights Issue for subscribing to the Equity Shares offered under this Issue.**

#### **CREDIT RATING**

As this proposed Issue is of Rights Equity Shares, the appointment of a credit rating agency is not required.

#### **DEBENTURE TRUSTEE**

As this proposed Issue is of Rights Equity Shares, the appointment of debenture trustee is not required.

#### **MONITORING AGENCY**

Since the Issue size does not exceed ₹ 100 crore, there is no requirement to appoint a monitoring agency in relation to the Issue under SEBI (ICDR) Regulations.

#### **APPRAISING ENTITY**

None of the purposes for which the Net Proceeds are proposed to be utilized have been financially appraised by any banks or financial institution or any other independent agency.

#### **UNDERWRITING**

This Issue is not underwritten, and our Company has not entered into any underwriting arrangement.

#### **FILING**

SEBI vide the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2020 has amended Regulation 3(b) of the SEBI ICDR Regulations as per which the threshold of filing of Letter of Offer with SEBI for rights issues has been increased. The threshold of the rights issue size under Regulation 3 (b) of the SEBI ICDR Regulations has been increased from Rupees ten crores to Rupees fifty crores.

As per requirements of SEBI ICDR Regulations as the issue size of this rights issue is below ₹5,000 Lakh, therefore this Letter of Offer has been filed with the NSE. On receipt of the in-principle approval from NSE, the final Letter of Offer will be filed with Stock Exchange and will be submitted to SEBI for information and dissemination purpose as per the provisions of the SEBI ICDR Regulations.

#### **MINIMUM SUBSCRIPTION**

Out of our Promoter and Promoter Group, their letters dated June 27 2024, have given their confirmation regarding their intention to subscribe to this Rights Issue jointly and / or severally. The extent of renouncement, if any, shall be finalized before the filing of Letter of Offer with Stock Exchange. In the event the Promoter decides to renounce its Right Entitlement in the favour of third party, minimum subscription criteria provided under regulation 86(1) of the SEBI ICDR Regulations shall apply.

In accordance with Regulation 86 of SEBI (ICDR) Regulations, if our Company does not receive the minimum subscription of at least 90% of the Issue of the Equity Shares being offered under this Issue, on an aggregate basis, our Company shall refund the entire subscription amount received within 4 (four) days from the Issue Closing Date. If there is delay in making refunds beyond such period as prescribed by applicable laws, our Company will pay interest for the delayed period at rates prescribed under applicable laws. The above is subject to the terms mentioned under “*Terms of the Issue*” on page 122 of this Letter of Offer.

*(The remainder of this page is intentionally left blank)*

## CAPITAL STRUCTURE

The capital structure of our Company and related information as on date of this Letter of Offer, prior to and after the proposed Issue, is set forth below:

*(In ₹ lakhs, except share data)*

Particulars	Aggregate Nominal Value	Aggregate Value at Issue Price
<b>Authorized Equity Share capital</b>		
10,00,00,000 (Ten Crore Only) Equity Shares of Rs.10 each.	1,000.00	-
<b>Issued, subscribed and paid-up Equity Share capital before this Issue</b>		
71,42,000 (Seventy One Lakh Forty Two Thousand Only) Equity Shares of Rs.10 each.	714.20	-
<b>Present Issue in terms of this Letter of Offer</b> <sup>(1) (2) (3)</sup>		
Upto 14,28,400 (Fourteen Lakh Twenty Eight Thousand Four Hundred) Issue of Equity Shares, each at a premium of ₹ 165/- (Rupees One Hundred Sixty Five Only) per Equity Share, at an Issue Price of ₹ 175/- (Rupees One Hundred Seventy Five) per Equity Share	142.84	2,499.00
<b>Issued, subscribed and paid-up Equity Share capital after the Issue</b>		
85,70,400 (Eighty Five Lakh Seventy Thousand Four Hundred) Equity Shares of Rs.10 each.	857.04	
<b>Subscribed and paid-up Equity Share capital</b>		
85,70,400 (Eighty Five Lakh Seventy Thousand Four Hundred) fully paid-up Equity Shares	857.04	
<b>Securities premium account</b>		
Before the Issue (as on March 31, 2024)	567.38	
After the Issue <sup>(c)</sup>	2,924.24	

**Notes: -**

1. This Issue has been authorized by a resolution of our Board passed at its meeting held on April 17, 2024 pursuant to Section 62(1)(a) and other applicable provisions of the Companies Act, 2013.
2. The terms and conditions of the Issue including the Rights Entitlement and Issue Price, have been approved by the Board of Directors in their meeting held on August 29, 2024.
3. The Directors in their meeting held on August 29, 2024 have approved the Record Date and the Issue Schedule, respectively.
4. Assuming full subscription for and Allotment of the Rights Equity Shares.
5. Subject to finalization of Basis of Allotment, Allotment and deduction of Issue expenses.

### NOTES TO THE CAPITAL STRUCTURE

**1. Details of outstanding warrants, outstanding instruments with an option to convert or securities which are convertible at a later date into Equity Shares**

As on the date of this Letter of Offer, our Company does not have any outstanding warrants, outstanding instruments with an option to convert or securities which are convertible at a later date into Equity Shares.

**2. Details of Equity Shares held by the promoter and promoter group including the details of lock-in, pledge of and encumbrance on such Equity Shares**

The details of the Equity Shares held by our Promoters and members of our Promoter Group, including details of Equity Shares which are locked-in, pledged or encumbered can be accessed on the website of NSE at <https://www.nseindia.com/companies-listing/corporate-filings-shareholding-pattern?symbol=SSFL&tabIndex=sme>

**3. Details of Equity Shares acquired by the promoters and promoter group in the last one year prior to the filing of this Letter of Offer**

Our promoters and promoter group does not acquire Equity Shares in the last one year prior to the filing of this Letter of Offer.

**4. Intention and participation by the promoter and promoter group**

Out of our Promoter and Promoter Group, their letter dated June 27 2024, have given their confirmation regarding their intention to subscribe to this Rights Issue jointly and / or severally. In the event the Promoter decides to renounce its Right Entitlement in the favour of third party, minimum subscription criteria provided under regulation 86(1) of the SEBI ICDR Regulations shall apply.

In accordance with Regulation 86 of the SEBI ICDR Regulations, if our Company does not receive the minimum subscription of at least 90% of the Issue of the Equity Shares being offered under this Issue, on an aggregate basis, our Company shall refund the entire subscription amount received within 4 (four) days from the Issue Closing Date in accordance with the SEBI circular bearing reference number SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021. If there is a delay in making refunds beyond such period as prescribed by applicable laws, our Company will pay interest for the delayed period at rates as prescribed under the applicable laws.

No person connected with this Issue shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Investor for making an application in this Issue, except for fees or commission for services rendered in relation to the Issue.

5. The ex-rights price of the Equity Shares as per Regulation 10(4)(b) of SEBI SAST Regulations is ₹ 305.25/-.
6. All Equity Shares are fully paid-up and there are no partly paid-up Equity Shares outstanding as on the date of this Letter of Offer. The Rights Equity Shares, when issued, shall be fully paid-up. For details on the terms of this Issue, see “Terms of the Issue” on page 122.
7. At any given time, there shall be only one denomination of the Equity Shares.

**8. Shareholding Pattern of our company**

The details of the shareholding pattern of our Company as on June 20, 2024 can be accessed on the website of NSE at <https://www.nseindia.com/companies-listing/corporate-filings-shareholding-pattern?symbol=SSFL&tabIndex=sme>.

The details of shareholders of our Company holding 1% or more of the paid-up capital as on June 20, 2024 can be accessed on the website of NSE at <https://www.nseindia.com/companies-listing/corporate-filings-shareholding-pattern?symbol=SSFL&tabIndex=sme>.

*(The remainder of this page is intentionally left blank)*

## OBJECTS OF THE ISSUE

Our Company proposes to utilize the Net Proceeds to:

1. Funding Capital Expenditure Towards Construction for Setting of New Plant for Manufacturing and Storage of Edible Oil
2. Repayment of Unsecured Loans,
3. To augment the existing and incremental working capital requirement of our company; and
4. General Corporate Purposes.

The main object clause of the Memorandum of Association of our Company enables us to undertake the existing activities and the activities for which the funds are being raised through the Issue. Further, we confirm that the activities which we have been carrying out till date are in accordance with the object clause of our Memorandum of Association.

### ISSUE PROCEEDS

The details of Issue Proceeds are set forth in the following table:

Particulars	Amount
Gross Proceeds from the Issue <sup>#</sup>	2499.00
Less: Estimated Issue related Expenses	42.75
<b>Net Proceeds from the Issue*</b>	<b>2,456.25</b>

(₹ in Lakhs)

*# Assuming full subscription and Allotment;*

*\*The Issue size will not exceed ₹ 2,500.00 Lakh. If there is any reduction in the amount on account of or at the time of finalization of Issue Price and Rights Entitlements Ratio, the same will be adjusted against General Corporate Purpose.*

### REQUIREMENT OF FUNDS AND UTILISATION OF NET PROCEEDS

The intended use of the Net Proceeds of the Issue by our Company is set forth in the following table:

Sr. No.	Particulars	Amount
5.	Funding Capital Expenditure Towards Construction for Setting of New Plant for Manufacturing and Storage of Edible Oil	864.02
6.	Repayment of Unsecured Loans	190.16
7.	To augment the existing and incremental working capital requirement of our company	1000.00
8.	General Corporate Purposes <sup>#</sup>	402.07
	<b>Total Net Proceeds*</b>	<b>2,456.25</b>

(₹ in Lakhs)

*#The amount to be utilized for General corporate purposes will not exceed 25.00% of the Gross Proceeds;*

*\*To be determined on finalization of the Issue Price and updated in the Letter of Offer at the time of filing with the NSE.*

### UTILIZATION OF NET PROCEEDS AND SCHEDULE OF IMPLEMENTATION

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

(₹ in Lakhs)

Sr. No.	Particulars	Amount to be deployed from Net Proceeds	Estimated deployment of Net Proceeds for the Financial Year ending March 31, 2025	Estimated deployment of Net Proceeds for the Financial Year ending March 31, 2026
1.	Funding Capital Expenditure Towards Construction for Setting of New Plant for Manufacturing and Storage of Edible Oil	864.02	864.02	-
2.	Repayment of Unsecured Loans	190.16	190.16	-
3.	To augment the existing and incremental working capital requirement of our company	1000.00	1,000.00	-
4.	General Corporate Purposes <sup>#</sup>	402.07	402.07	-
	<b>Total Net Proceeds*</b>	<b>2,456.25</b>	<b>2,456.25</b>	-

*#The amount to be utilized for General corporate purposes will not exceed 25.00% of the Gross Proceeds;*

*\*Assuming full subscription in the Issue and subject to finalization of the Basis of Allotment and to be adjusted per the Rights Entitlement ratio.*

The above fund requirements are based on our current business plan, management estimates and have not been appraised by any bank or financial institution. Our Company's funding requirements and deployment schedule are subject to revision in the future at the discretion of our Board as per compliance with all applicable laws, rules and regulations and will not be subject to monitoring by any independent agency. In view of the competitive environment of the industry in which we operate, we may have to revise our business plan from time to time and consequently, our funding requirements may also change. Our historical funding requirements may not be reflective of our future funding plans. We may have to revise our funding requirements, and deployment from time to time on account of various factors such as economic and business conditions, increased competition and other external factors which may not be within our control. 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 law. Further, in case the Net Proceeds are not completely utilized in a scheduled Fiscal Year due to any reason, the same would be utilised (in part or full) in the next Fiscal Year/ subsequent period as may be determined by our Company, in accordance with applicable law. For further details, please see the section titled "Risk Factors" beginning on page 20 of this Letter of Offer.

In case of any increase in the actual utilisation of funds earmarked for any of the Objects of the Issue or a shortfall in raising requisite capital from the Net Proceeds, such additional funds for a particular activity will be met through means available to us, including by way of incremental debt and/or internal accruals. If the actual utilisation towards any of the Objects is lower than the proposed deployment, such balance will be used for future growth opportunities including funding other existing Objects, if required and will be used towards general corporate purposes to the extent that the total amount to be utilized towards general corporate purpose will not exceed 25% of the Gross Proceeds from the Issue in accordance with applicable law.

## MEANS OF FINANCE

The funding requirements mentioned above are based on our Company's internal management estimates and have not been appraised by any bank, financial institution, or any other external agency. They are based on current circumstances of our business and our Company may have to revise these estimates from time to time on account of numerous factors beyond our control, such as market conditions, competitive environment, costs of commodities or interest rate fluctuations. We intend to finance the abovementioned objects from the Net Proceeds. Accordingly, our Company is not required to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised through the Issue or through existing identifiable internal accruals in terms of the provisions of Regulation 62(1)(c) of the SEBI ICDR Regulations.

## DETAILS OF THE OBJECTS OF THE ISSUE

The details in relation to objects of the Issue are set forth herein below:

***1. Funding Capital Expenditure Towards Setting of New Plant for Manufacturing and Storage of Oil***

As on the date of this Letter of Offer, Our Company operates from our manufacturing facility located at No 6-50/1, Serial Number 365/A, Raikal Village, G.P. Farooq nagar Mandal, Ranga Reddy District – 509 202. where we undertake the manufacturing of spices and flour (chakki atta) and market & sell. We propose to install the new plant and machinery and further set-up new factory shed at the existing manufacturing facility which will be equipped with machines like Cleaning & Grading Section, Oil Expeller, Filter Press, Steam Boiler, Stainless Steel Storage Tanks, Oil Pouch Packaging Equipment and Oil Bottle Filling & Packing Machine etc. with a project cost of upto Rs. 864.02 lakhs. We have already taken quotation for machineries, construction of shed and storage tank amounting to Rs. 864.02 lakhs. By undertaking the proposed installation of new plant our company will be able to gain the benefits of manufacturing and sale of new product. We intend to utilize a portion of the net proceeds of Rs. 864.02 lakhs for funding capital expenditure towards Setting of New Plant for Manufacturing and Storage of Oil.

Our Company intends to deploy Net Proceeds aggregating up to Rs. 864.02 Lakhs towards Capital expenditure, which includes purchase of machineries for manufacturing of products relating to oil manufacturing by Company, details of Machineries are as follows:

**I. INSTALATION OF PLANT FOR MANUFACTURE OF OIL:-**

**A. Cleaning & Granding, Filtered and Oil Expeller and Steam Boiler**

Our company intends to utilise ₹ 259.59 lakhs towards installation of machineries for Cleaning, Granding, Filtered, Oil Expeller and Steam Boiler at No 6-50/1, Serial Number 365/A, Raikal Village, G.P. Farooqnagar Mandal, Ranga Reddy District – 509 202.

**Details of machineries for Cleaning, Granding, Filtered and Oil Expeller as below:**

<p><b>CLEANING &amp; GRADING SECTION</b></p>	<ul style="list-style-type: none"> <li>• Cleaning is the first step in the process, and it involves the removal of foreign objects such as leaves, nodes, and weed seeds that can contaminate the oil.</li> <li>• Dehulling is the next step, and it entails removing the outer shell of the peanut to increase the yield of oil, improve processing efficiency, and reduce equipment wear and tear.</li> <li>• Cooking is a crucial step in the groundnut oil manufacturing process as it helps to break the cell walls and open the cells containing the oil. This step also decreases the thickness of the oil, making it easier to flow out.</li> <li>• Oil Extraction is the next step, and it involves feeding the peanuts through a hopper into a Oil Expeller Machine, where pressure increases, generating heat and lowering the oil viscosity to increase the oil flow rate. The oil and cake are then collected at the oil outlet and pressed cake exit.</li> <li>• After pressing, crude peanut oil still contains impurities that need to be removed. Filtration is the final step in the process, where oil filter press machines are used to remove large and small size particulates and even water from the oil.</li> </ul>	
<p><b>OIL EXPELLER</b></p>	<p>Oil Expellers are designed to meet the needs of small and mid-sized mechanical extraction plants. This series includes steel cast double or triple chamber expellers with inbuilt Oil N Foots conveyor, hard faced or carbon steel hardened and tempered wear parts as well as other value-added options.</p>	

<p><b>FILTER PRESS</b></p>	<ul style="list-style-type: none"> <li>•Oil from expeller comes to the Vibro Separator, where core</li> <li>•particles are separated by vibration. The oil is then sent</li> <li>•to the tank where it is pumped for final filtration via plate</li> <li>•type filters.</li> <li>•Raised rim around the edges to form a chamber between</li> <li>•2 plates</li> <li>•High rate of filtration</li> <li>•Powerful pump and accurate assembly</li> <li>•Leak proof joints to withstand operating pressure</li> <li>•High grade CI casting &amp; shot blasted for smooth finish</li> </ul>	
<p><b>STEAM BOILER</b></p>	<p>Role of Boilers in edible oil refineries are crucial for many process operations, especially deodorization, to ensure complete removal of components such as color, odor, and moisture that would influence the appearance, smell, and taste of the final product. Edible oil is extracted from crude by the process of deodorization through steam distillation. Steam boilers in edible oil refineries enable the steam vacuum distillation with high-pressure steam for heating the oil to a determined temperature for removing the impurities and cooling it to regain the characteristics of the oil. Economizer helps boilers in oil refineries by extracting heat from the process to save energy.</p>	

We intend to buy following under the capital expenditures, the tentative costs are given below along with the quotations from vendors:

S./No.	Machine Description	Qty.	Supplier Name	Quotation Date	Amount of Purchase (₹ in lakhs)
1.	<b>Material Handling Equipments:</b>				
	a. CS/SS Screw Conveyors with drive and accessories	1 Set	<b>Kumar Metal Industries Pvt Ltd</b>	<b>June 07, 2024</b>	<b>250.50</b>
	b. CS/SS Bucket Elevators with drive and	1 Set			

S./No.	Machine Description	Qty.	Supplier Name	Quotation Date	Amount of Purchase (₹ in lakhs)
	accessories				
2.	<b>Seed Preparatory Section:</b> a. Hopper with rotary valve 10 MT b. Seed cleaner with Aspiration System, Motor and accessories for removing impurities from feed material	1 Unit 1 Unit			
3.	<b>Seed Crushing Section:</b> a. Kumar New Oil-N-Oil Series NMK IVC Oil Expellers b. Kumar New Oil-N-Oil Series NMK III Oil Expeller	1 Unit 1 Unit			
4.	<b>Filtration Section:</b> a. Vibro Separator in Stainless steel b. Polish Filter Stainless Steel c. Kumar Filter Press 25" x 25" x 25 Plates	1 Unit 2 Nos. 2 Unit			
5.	<b>Intermediate Tanks in Stainless Steel:</b> i. Oil-N-Foots Tank with Agitator ii. Pre-Cleaned Oil Tank iii. Filtered Oil Tank iv. Pumps (internals in SS) with Motors, base frame and accessories	1 Set 1 No. 1 No. 2 Unit			
6.	<b>Accessories and Electrical:</b> i. Pipes, Valves and fittings ii. Control Panel with Soft Starters, Cables and accessories	1 Lot 1 Unit			
<b>Gross Amount</b>					<b>271.40</b>
<b>GTS@18%</b>					<b>45.09</b>
<b>Total Amount</b>					<b>295.59</b>

*\*Inclusive GST of 18% in above amount*

*Note: The quotations are valid for a period of 90 days from the date of issuance.*

#### **B. Peanut Plant 3000 With Sortex:**

Our company intends to utilise ₹ 107.46 lakhs towards installation of peanut plant at No 6-50/1, Serial Number 365/A, Raikal Village, G.P. Farooq Nagar Mandal, Ranga Reddy District – 509 202.

- **GROUNDNUT DECORTICATOR WITH MOTOR**

Groundnut Decorticator with Motor for oil manufacturing plays a crucial role in efficiently preparing groundnuts for oil extraction processes. It improves processing efficiency, ensures high-quality oil production, and supports the scalability of operations in commercial oil manufacturing facilities.

- **GRADER MACHINE WITH MOTOR (SIZE: -10X4)**

Grader machine with a motor plays a crucial role in oil manufacturing by efficiently sorting and grading raw materials, ensuring consistent quality and optimizing production processes. It's an essential component in the journey from raw nuts or seeds to high-quality oil products.

- **CIRCULAR ROUND GRADER WITH MOTOR**

Circular Round Grader with a motor is a critical component in oil manufacturing processes, facilitating efficient sorting and grading of spherical materials to ensure high-quality raw materials for oil extraction. It plays a pivotal role in optimizing production efficiency and maintaining product consistency in the oil manufacturing industry.

- ***DESTONER FOR GROUNDNUT WITH MOTOR***

Destoner with a motor in the groundnut oil manufacturing process is essential for producing high-quality oil. It ensures the raw material is clean and free from impurities, thereby enhancing the overall efficiency and longevity of the processing equipment.

- ***GRAVITY SEPARATOR (5 FAN) WITH AC. DRIVE CONTROLLER WITH MOTOR***

Gravity separator with a 5-fan system and an AC drive controller with a motor is typically used for separating impurities from oil seeds or grains based on their density differences.

- ***DESTONER FOR PEANUT WITH MOTOR***

Destoner for peanuts with a motor is used to remove stones, dirt, and other heavy impurities from peanuts before they are processed into oil.

- ***9" BUCKET ELEVATOR WITH GEAR MOTOR***

9" Bucket elevator with a gear motor is commonly used in the oil manufacturing industry for the vertical transportation of bulk materials such as seeds, grains, and other raw materials used in oil extraction.

- ***Z ELEVATOR 4 LTR.***

Z Elevators in oil manufacturing facilities for efficiently moving materials up to 4 liters between different levels or areas of the plant, often handling heavy loads and operating in challenging environments.

- ***C ELEVATOR 6 LTR.***

C Elevators in oil manufacturing facilities for efficiently moving materials up to 4 liters between different levels or areas of the plant, often handling heavy loads and operating in challenging environments.

- ***BELT CONVEYOR WITH GEAR MOTOR***

Belt Conveyor with a gear motor is an integral part of oil manufacturing, providing efficient and reliable transportation of materials through various stages of the production process.

- ***16" SCREW CONVEYOR WITH GEAR MOTOR***

6" Screw Conveyor with a gear motor is commonly used in oil manufacturing for transporting bulk materials such as grains, seeds, or powders within the production process. These conveyors are efficient for handling materials in various stages of oil production, from initial processing to packaging. They help in automating the movement of raw materials and finished products, ensuring smooth operations and reducing manual handling.

- ***AIR LOCK WITH GEAR MOTOR***

Air Lock with a gear motor in oil manufacturing is used for material handling and to maintain pressure differentials in processing equipment. Air lock is in preventing air or gas leakage between different stages of processing. When combined with a gear motor, they can control the flow of materials, ensuring precise handling and preventing contamination or loss of pressure.

- ***BLOWER FOR SORTEX 5 HP WITH MOTOR***

Blowers for Sortex 5 HP with motor is use for maintaining airflow, often used in pneumatic conveying or air filtration processes within the manufacturing setup

- ***AIR COMPRESSURE FOR SORTEX***

Air Compressor is used in various stages of oil production and refining, including for pneumatic sorting or separation processes like sorting raw materials or separating different components based on their densities.

We intend to buy following under the capital expenditures, the tentative costs are given below along with the quotations from vendors:

S./No.	Machine Description	Qty.	Supplier Name	Quotation Date	*Amount of Purchase (₹ in lakhs)
1.	Groundnut Decorticator with Motor	3	Samay Agrotech Private Limited	June 24, 2024	5.85
2.	Grader Machine with Motor (Size: - 10x4)	2			3.90
3.	Circular Round Grader with Motor	1			2.60
4.	Destoner For Groundnut with Motor	1			3.30
5.	Gravity Separator (5 Fan) With Ac. Drive Controller with Motor	1			7.00
6.	Destoner For Peanut with Motor	1			2.10
7.	9" Bucket Elevator with Gear Motor	4			6.075
8.	Z Elevator 4 Ltr.	3			9.30
9.	C Elevator 6 Ltr.	1			3.85
10.	Belt Conveyor with Gear Motor	2			1.575
11.	16" Screw Conveyor with Gear Motor	2			1.47
12.	Air Lock with Gear Motor	1			0.45
13.	Blower For Sortex 5 Hp with Motor	1			0.65
14.	Cyclone 900mm	1			0.55
15.	Mini Aspiration 400mm	2			0.40
16.	Fitting & Installation Charges	-			3.50
17.	Colour Sortex 8 Suite	1			30.00
18.	Air Compressure for Sortex	1			6.50
19.	Duckting & Spouting All Plant	-			2.00
<b>Gross Amount</b>					<b>91.07</b>
<b>GST @18%</b>					<b>16.39</b>
<b>Total Amount</b>					<b>107.46</b>

*Note: The quotations are valid for a period of 90 days from the date of issuance.*

## II. INSTALATION OF STORAGE TANK

Our company intends to utilise ₹ 75.00 lakhs towards construction of Storage Tank at No 6-50/1, Serial Number 365/A, Raikal Village, G.P. Farooq Nagar Mandal, Ranga Reddy District – 509 202. The construction of storage tank with capacity of 60 Tones including pipeline, accessories & flanches, Brackets, Nuts, Bolts & Zinc Premier Coating Complete material and Fitting Work.

S./No.	Machine Description	Qty.	Supplier Name	Quotation Date	Amount of Purchase (₹ in lakhs)
1.	The construction of storage tank with capacity of 60 Tones (30 tone*2) including pipeline, accessories & flanches, Brackets, Nuts, Bolts & Zinc Premier Coating Complete material and Fitting Work	1	Hindustan Fabrication	July 07, 2024	70.00
<b>Gross Amount</b>					<b>63.56</b>
<b>GST@18%</b>					<b>11.44</b>
<b>Total Amount</b>					<b>75.00</b>

*Note: The quotations are valid for a period of 90 days from the date of issuance.*

## III. PACKAGING MACHINARIES:

**A. Automatic Turn Table machine.**

Automatic turntable machines designed for oil manufacturing are integral to enhancing productivity, consistency, and quality control across various stages of oil processing, from raw material handling to final product packaging. They streamline operations, reduce manual handling, and contribute to overall operational efficiency in the oil industry.

**B. Automatic (6-Head) Liquid Filling machine**

Automatic 6-head liquid filling machine in oil manufacturing streamlines the filling process, improves efficiency, and ensures consistent product quality. It's a vital component in modern manufacturing facilities aiming for increased productivity and operational excellence in oil processing.

**C. Automatic Rotary Type ROPP Capping Machine**

Automatic Rotary Type ROPP (Roll-On Pilfer Proof) Capping Machine is a specialized equipment used in oil manufacturing for securely sealing bottles with ROPP caps.

**D. Automatic Round Bottle Labelling Machine**

Automatic Round Bottle Labelling Machine is for automating the labelling process, ensuring efficiency, accuracy, and consistency in the application of labels to round bottles containing oils and related products. It plays a crucial role in enhancing productivity, maintaining product quality, and meeting regulatory requirements in packaging operations.

**We intend to buy following under the capital expenditures, the tentative costs are given below along with the quotations from vendors:**

S./No.	Machine Description	Qty.	Supplier Name	Quotation Date	Amount of Purchase (₹ in lakhs)
1.	Automatic Turn Table machine.	2	<b>Authentic Desiner's</b>	June 17, 2024	3.00
2.	Automatic (6-Head) Liquid Filling machine	2			14.50
3.	Automatic Rotary Type ROPP Capping Machine	2			11.00
4.	Automatic Round Bottle Labeling Machine	2			8.50
5.	Form Fill Seal Machine Model Double Head Filpack SMD Equipped with Positive displacement pump fillers	2	<b>Nichrome India Ltd.</b>	July 12, 2024	28.00
	PLC controller Built in forming size part UV Sterilization system for packaging material Photo-mark registration unit to use panel printed film	2			
6.	Electrical Works	-	<b>Ashoka Electrical Works</b>	June 06, 2024	20.09
<b>Gross Amount</b>					<b>85.09</b>
<b>GST@18%</b>					<b>15.32</b>
<b>Total Amount</b>					<b>100.41</b>

*Note: The quotations are valid for a period of 90 days from the date of issuance.*

**IV. CONSTRUCTION OF SHED FOR NEW PLANT:**

Our company intends to utilise ₹ 242.00 lakhs towards construction of factory shed with RCC Structure at adjoining land to our existing manufacturing facility located at No 6-50/1, Serial Number 365/A, Raikal Village, G.P. Farooqnagar Mandal, Ranga Reddy District – 509 202. The land is owned by our company on which existing manufacturing facility and proposed manufacturing facility is located. Total construction area of factory shed is estimated to be 10,000 Sq Mtr and 12,000 Sq. Mtr. Our company has obtained estimates of expenses for construction of factory shed from M/s. Hindustan Engineering Works dated June 12, 2024. Our company intends to construct factory shed for installing one machinery viz. Machinery related to manufacturing of oil with capacity of 7,200 tons p. a.

**Details of Construction of factory shed is as follows:**

Sr. No.	Particulars	Area Sqm.	Rate	Amount (In lakhs)
1.	Factory Shed Area	10,000	1100	110.00
		12,000	1100	132.00
<b>Gross Amount</b>				<b>242.00</b>
<b>GST @18%</b>				<b>43.56</b>
<b>Total Amount</b>				<b>285.56</b>

Based on quotation received from M/s. Hindustan Engineering Works dated June 12, 2024.

**Material Specification:**

- Cement use Birla Shakti and Sree Company.
- Rivers Sand use to wall Plastering only.
- Dust use to PCC concrete coloum, putting, CRS wall and Flooring & Brick Wall.
- CRS use to basements shed area.
- 40 mm concrete use to flooring.
- 20 mm concrete use to PCC flooring Bed.

Above cost of construction includes complete building all structure material including M S Column, rafters, Purlin, roofing, flooring, Plumbing, Doors, windows, shutters duly painted.

As per the estimation total cost of factory shed construction is estimated to be ₹ 242.00 Lakhs. Our company intends to fund 100% of cost of construction out of Net Issue proceeds. Till the date of this Letter of Offer our company has not paid any advance nor has finalised any vendor for above object. Our Board of Directors in the best interest of company may prefer any other vendor for construction of Factory Shed.

**2. Repayment of Unsecured Loans**

Our Company has taken the following unsecured loans from Banks, Financial Institutes. Our Company intends to utilize 190.16 lakhs of the Net Proceeds towards repayment or prepayment of these unsecured loans. The unsecured loans are to be repaid. There are no prepayment penalties for prepayment of such unsecured loans. The following table provides details of unsecured loans of our company, as on March 31, 2024, which are proposed to be repaid from the Net Proceeds: -

Sl. No	Name of Parties	Date of availing of Loan	Term of the Loans (Years)	Rate of Interest P. A. (%)	Outstanding Amounts as of 31 <sup>st</sup> March 2024 (in Lakhs)	Purpose for availing of unsecured Loan	Amount paid from Issue (in Lakhs)
1.	Neo Growth Credit Private Limited	26 March 2023	24	24.75	12.04	General Business /Working Capital	12.04
2.	Ambit Finvest Private Limited	17 April 2023	36	24	11.84	Working Capital	11.84

Sl. No	Name of Parties	Date of availing of Loan	Term of the Loans (Years)	Rate of Interest P. A. (%)	Outstanding Amounts as of 31 <sup>st</sup> March 2024 (in Lakhs)	Purpose for availing of unsecured Loan	Amount paid from Issue (in Lakhs)
3.	Clix Capital Services Private Limited	26 October 2022	24	19.5	11.36	Working Capital	11.36
4.	UGRO Capital Limited	31 October 2022	36	19.5	9.56	Working Capital	9.56
5.	Ashv Finance Limited	23 November 2022	36	19	16.26	Business Expansion	16.26
6.	Hero Fincorp Limited	01 November 2022	36	18.5	15.87	Working Capital	15.87
7.	Kisetsu Saison Finance (India) Private Limited	28 October 2022	24	18	49.91	Working Capital or any other business purpose	49.91
8.	Aditya Birla Finance Limited	15 October 2022	36	18	18.62	Working Capital	18.62
9.	Bajaj Finance Limited	21 October 2022	36	18	19.53	Working Capital	19.53
10.	Cholamandlam Investment and Finance Company Limited	08 March 2024	36	18	25.17	Working Capital	25.17
	<b>Total</b>		-	-			<b>190.16</b>

### 3. To augment the existing and incremental working capital requirement of our company

We fund the majority of our working capital requirements in the ordinary course of our business from our internal accruals. We operate in a highly competitive and dynamic market conditions and may have to revise our estimates from time to time on account of external circumstances, business or strategy, foreseeable opportunity. Consequently, our fund requirements may also change.

The details of estimation of Working Capital Requirement (on a standalone basis), is as under:

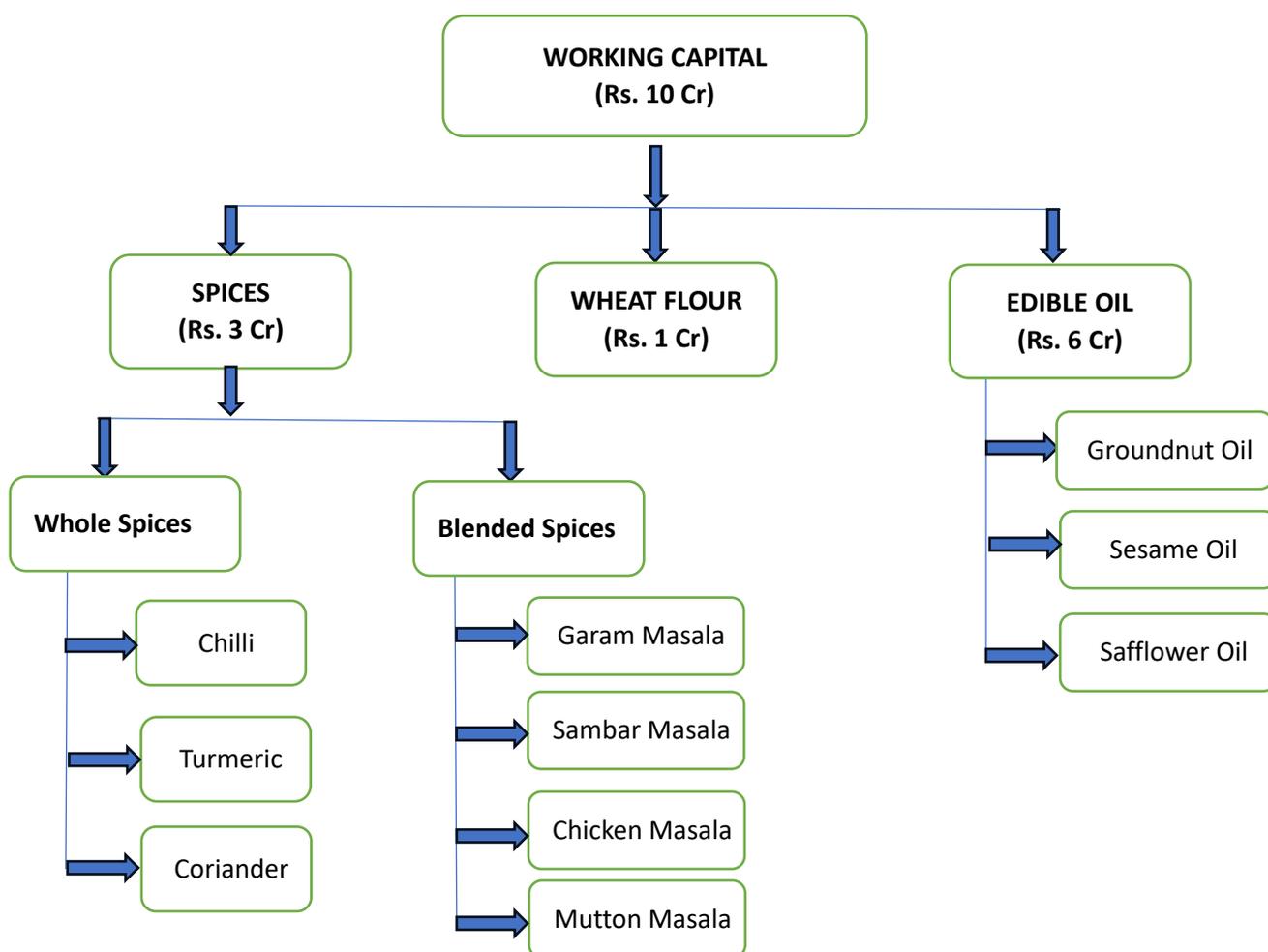
(₹ in Lakhs)

Particulars	March 31, 2024 (Audited)	No. of Days	March 31, 2025 (Projected)	No. of Days
<b>Current Assets</b>				
Inventories	2,944.31	135	3,846.58	120
Trade Receivables	1,837.48	85	2,421.92	85
Cash and Cash Equivalents	0.97	-	57.87	-
Short-term loans and advances	85.22	-	-	-
Other current assets	8.67	-	650.00	-
<b>Total Current Assets (1)</b>	<b>4,876.65</b>	-	<b>6,976.36</b>	-

Particulars	March 31, 2024 (Audited)	No. of Days	March 31, 2025 (Projected)	No. of Days
<b>Current Liabilities</b>				
Short Term Borrowings	1500.99	-	1,281.00	-
Trade Payables	796.32	37	697.01	30
Other Current Liabilities	57.20	-	54.55	-
Short Term Provision	301.02	-	442.29	-
<b>Total Current Liabilities (2)</b>	<b>2,655.53</b>	-	<b>2,474.85</b>	-
<b>Total Working Capital (1-2)</b>	<b>2,221.12</b>	-	<b>4,501.52</b>	-
<b>Source of Working Capital</b>				
Short Term Borrowings	1500.99		1,281.00	
Internal Accruals	20.13		2,220.52	
Issue Proceeds	700.00*		1,000.00	

\*This is used from IPO proceeds

Following is the breakup of the need for Working Capital requirement:



We plan to allocate up to Rs.10 Crores from the total net proceeds to address the working capital requirements of our company. The Working Capital will be distributed across the following three business segments:

1. Spices
2. Wheat Flour
3. Edible Oil

#### 1. SPICES:

The spices segment will be further divided into 2 categories:

- i) Whole Spices
- ii) Blended Spices

i) **Whole Spices:** Currently we offer three (3) variants in whole spices:

- a) Chilli
- b) Turmeric
- c) Coriander

These are available in 12 different SKUs (package sizes). We are also set to launch a new variant, Marwadi special Chilli Powder, in October 2024, with 2 SKUs.

ii) **Blended Spices:** Our blended spices currently include four (4) variants:

- a) Garam Masala
- b) Sambar Masala
- c) Chicken Masala
- d) Mutton Masala

These are available in 12 SKUs. In October 2024, we will introduce 11 new blended spices, in 20 SKUs.

For the fiscal year 2024-25, we aim to nearly double our sales in the spices segment, growing from ₹31.31 crores to ₹60 crores. This target will be supported by the introduction of new products across both whole and blended spices categories.

To support these initiatives, we anticipate a requirement of approximately ₹3 crores for working capital within the spices segment.

#### 2. WHEAT FLOUR:

For the current financial year, our revenue target for the wheat flour segment is ₹55 crores. This represents an increase from the previous year, during which we achieved a revenue of ₹46.97 crores.

To support the operational needs and ensure smooth business operations, we estimate a requirement of approximately ₹1 crore in working capital for the wheat flour segment.

#### 3. EDIBLE OIL:

Our new oil plant is scheduled to commence operations in December 2024. With a capacity of 600 metric tons per month, the plant is projected to generate annual revenue of ₹150 crores, equating to ₹12.5 crores per month, if fully utilized.

We plan to introduce three varieties of cold-pressed oils:

- Groundnut Oil (double-filtered)
- Sesame Oil (double-filtered)
- Safflower Oil (double-filtered)

These will be launched in a phased approach, with a total of 12 SKUs.

To support the operational and production needs of the oil segment, we require an estimated working capital of ₹6 crores.

#### Justification for holding period levels

On the basis on the internal estimates, existing working capital requirements and the projected working capital requirements and key assumptions with respect to the determination of the same; the Issuer Company would require total working capital to the extent of Rs.4501.52 Lakhs for the March 31, 2025.

The estimated and projected working capital requirements and the assumption underlying the justification for periods of holding levels for March 31, 2025 is as set out in the table below:

The Board of Directors of the Issuer Company pursuant to their resolution dated June 27, 2024, has certified and approve the estimated working capital requirements and the assumption underlying the justification for periods of holding levels for March 31, 2025.

The working capital projections made by our Company are based on certain key assumptions, as set out below:

Current Assets	
Inventories	In Fiscal Year 2024, the inventory holding period was 137 days. The holding period is estimated to decrease from one year to the next, which suggests that the company is planning to maintain 135 days stock levels upto Rs. 3846.58 lakhs in FY 2024-25 and 120-days stock levels upto Rs. 4947.95 Lakhs in FY 2025-26 in order to fulfil demand obligations towards its customers.
Trade receivables	In Fiscal Year 2024, Efficient collections and robust credit policies-maintained trade receivable holding at 85 days. The management is planning to maintain the same level of credit period.
Cash and Bank Balance	The management is expecting the need to increase in cash and bank balance due to an increase in the volume of transactions.
Other current assets	In order to meet the timely supply of raw materials and maintain favorable relations with the suppliers, the management is expecting a slight increase in Short Term Loans and Advances.
Current Liabilities	
Trade Payables	In Fiscal Year 2024, the trade payable ratio was 37 days. The projected trade payable ratio for Fiscal Year 2025 is estimated at 30 days, indicating that the company is expecting to pay its trade payable on an early basis to avail rate-based incentives or discounts on purchases of raw materials. An effort to optimize payable cycles while maintaining strong supplier relationships and effective cash management.
Other Current Liabilities & Short-Term Provision	The management is expecting a healthy cash flow due to an increase in the volume of transactions. Hence, management has kept the slight lower as compared with Fiscal Year 24.

The Issuer Company proposes to utilize Upto Rs. 1,000 Lakhs of the Net Proceeds in March 31, 2025, towards its working capital requirements for meeting their future business requirements.

#### **4. General Corporate Purpose**

The remaining Net Proceeds, if any, shall be utilized towards general corporate purposes and the amount to be utilized for general corporate purposes shall not exceed 25.00% (Twenty-Five Percent) of the Gross Proceeds. ***Such general corporate purposes may include meeting exigencies, paying salaries, and meeting expenses incurred by our Company in the ordinary course of business as may be approved by the Board from time to time, subject to compliance with the necessary provisions of the Companies Act, 2013 and other laws, as may be applicable.***

The quantum of utilization of funds towards any of the above purposes will be determined based on the amount actually available under this head and the business requirements of our Company, from time to time. Our Board will have flexibility in utilizing surplus amounts, if any and The Board to utilise the issue proceeds with compliances of all the applicable laws, rules and regulations.

#### EXPENSES FOR THE ISSUE

The Issue related expenses consist of fees payable to the Legal Advisor to the issue, processing fee to the SCsBs, Registrars to the Issue, printing and stationery expenses, advertising expenses and all other incidental

and miscellaneous expenses for listing the Rights Equity Shares on the Stock Exchange. Our Company will need approximately ₹ 42.75/- towards these expenses, a break-up of the same is as follows:

(₹ in Lakhs)

Activity	Estimated Expense	% of Estimated Issue Size Expenses	% of Estimated Issue Size
Fee to professional service providers and statutory fee and Registrar to the Issue	32.85	76.84	1.31
Fees payable to regulators, including depositories, Stock Exchanges and SEBI	5.75	13.45	0.23
Statutory Advertising, Marketing, Printing and Distribution	2.50	5.85	0.10
Other expenses (including miscellaneous expenses and stamp duty)	1.65	3.86	0.07
<b>Total estimated Issue expenses*</b>	<b>42.75</b>	<b>100%</b>	<b>1.71%</b>

\* Subject to finalization of Basis of Allotment and actual Allotment. In case of any difference between the estimated Issue related expenses and actual expenses incurred, the shortfall or excess shall be adjusted with the amount allocated towards general corporate purposes.

### APPRAISAL OF THE OBJECTS

None of the Objects of the Issue for which the Net Proceeds will be utilized have been appraised by any bank or financial institution.

### STRATEGIC AND/ OR FINANCIAL PARTNERS

There are no strategic and financial partners to the objects of the issue.

### BRIDGE FINANCING FACILITIES

Our Company have not raised or availed any bridge financing facilities for meeting the expenses as stated under the Objects of the Issue.

### INTERIM USE OF FUNDS

Our Company, in accordance with the policies formulated by our Board from time to time, will have flexibility to deploy the Net Proceeds. Pending utilization of the Net Proceeds for the purposes described above, our Company intends to deposit the Net Proceeds only with scheduled commercial banks included in the second schedule of the Reserve Bank of India Act, 1934 or make any such investment as may be allowed by SEBI from time to time.

### KEY INDUSTRY REGULATIONS FOR THE OBJECTS OF THE ISSUE

No additional provisions of any acts, regulations, rules and other laws are or will be applicable to the Company for the proposed Objects of the Issue.

### OTHER CONFIRMATIONS

Except as disclosed above, there are no material existing or anticipated transactions in relation to the utilization of the Net Proceeds with our Promoters, Directors or Key Management Personnel of our Company and no part of the Net Proceeds will be paid as consideration to any of them. Except disclosed above, none of our Promoters, members of Promoter Group or Directors are interested in the Objects of the Issue. No part of the proceeds from the Issue will be paid by the Company as consideration our directors, or Key Managerial Personnel.

Our Company does not require any material government and regulatory approvals in relation to the Objects of the Issue.

*(The remainder of this page is intentionally left blank)*



## STATEMENT OF SPECIAL TAX BENEFITS

### STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO SRIVARI SPICES AND FOODS LIMITED FORMERLY KNOWN AS SRIVARI SPICES AND FOODS PRIVATE LIMITED ("THE COMPANY") AND THE SHAREHOLDERS OR THE COMPANY UNDER THE INDIRECT TAX LAWS IN INDIA

**Date: July 12, 2024**

To,  
Srivari Spices and Foods Limited  
*Formerly known as Srivari Spices and Foods Private Limited*  
Shed No. 5-105/4/A, Sy No.234/A  
Sriram Industrial Area, Kattedan,  
Jalpally,  
Hyderabad Telangana – 500077

Dear Sirs,

**Ref: Proposed Rights issue of equity shares of face value of Rs. 10/- each (the "Equity Shares" and such offering, the "Issue") of Srivari Spices And Foods Limited Formerly known as Srivari Spices And Foods Private Limited (the "Company") pursuant to Securities and Exchange Board of India (Issue of Capital and Disclosure requirements) Regulations, 2018 ("SEBI Regulations") and the Companies Act, 2013, as amended (the 'Act')**

We refer to the proposed Right issue of equity shares of Srivari Spices And Foods Limited *Formerly known as Srivari Spices And Foods Private Limited* ("the Company"). We enclose herewith the annexure showing the current position of special tax benefits available to the Company and to its shareholders as per the provisions of the direct and indirect tax laws, including the Income-tax Act, 1964, The Central Goods and Services Tax Act, 2017, The Integrated Goods and Services Tax Act, 2017, The State Goods and Services Tax Act as passed by respective State Governments from where the Company operates and applicable to the Company, Customs Act, 1962 and Foreign Trade Policy 2015-2020, as amended by the Finance Act, 2021, i.e., applicable for the Financial Year 2023- 24 relevant to the assessment year 2024-25, presently in force in India for inclusion in the Letter of Offer (collectively referred to as "Offer Documents") for the right issue of shares of the Company as required under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2018 as amended ("ICDR Regulations").

Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Income-tax Act 1961. Hence, the ability of the Company or its shareholders to derive these direct tax benefits is dependent upon their fulfilling such conditions.

The benefits discussed in the enclosed statement are neither exhaustive nor conclusive. The contents stated in the Annexure are based on the information and explanations obtained by the Company. This statement is only intended to be provide general information to guide the investors and is neither designed nor intended to be a substitute for a professional tax advice. In view of the individual nature of tax consequences and the changing tax laws, each investor is advised to consult their 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 based on this statement.

We do not express any opinion or provide any assurance whether -

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

We hereby give our consent to include enclosed statement regarding the tax benefits available to the Company and to its shareholders in the Letter of Offer for the proposed Right issue of equity Shares which the Company intends to submit to the Securities and Exchange Board of India provided that the below statement of limitation is included in the offer document.

## LIMITATIONS

Our views expressed in the statement enclosed are based on the facts and assumptions indicated above. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company and the interpretation of the existing tax laws in force in India and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. Reliance on the statement is on the express understanding that we do not assume responsibility towards the investors who may or may not invest in the proposed issue relying on the statement.

The statement has been prepared solely in connection with the offering of Equity shares by the Company under the Securities and Exchange Board of India ("SEBI") (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the Issue).

For **RAO & SHYAM**  
Chartered Accountants  
**Firm Registration No: 006186S**

**SD/-**

**Kandarp Kumar Dudhoria**  
Partner  
**Membership No. 228416**

**Place:** Hyderabad  
**Date:** July 12, 2024  
**UDIN:** 24228416BKBZJM1694

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

### **Direct Taxation**

Outlined below are the special tax benefits available to the Company and its shareholders under the Income-tax Act, 1961 ('the Act'), as amended by Finance Act, 2021 i.e., applicable for Financial Year 2023-24 relevant to the Assessment Year 2024-25, presently in force in India

#### **A. SPECIAL TAX BENEFITS TO THE COMPANY**

Section 115BAA, as inserted vide The Taxation Laws (Amendment) Act, 2019, provides that domestic company can opt for a rate of tax of 22% (plus applicable surcharge and education cess) for the financial year 2022-23 onwards, provided the total income of the company is computed without claiming certain specified incentives/ deductions or set-off of losses, depreciation etc. and claiming depreciation determined in the prescribed manner. In case a company opts for section 115BAA, provisions of Minimum Alternate Tax would not be applicable and earlier year MAT credit will not be available for set-off. The option needs to be exercised on or before the due date of filing the tax return. Option once exercised, cannot be subsequently withdrawn for the same or any other tax year.

The Company has represented to us that it has not applied section 115BAA for the assessment year 2024-25.

#### **B. SPECIAL TAX BENEFITS TO THE SHAREHOLDERS**

The Shareholders of the Company are not entitled to any special tax benefits under the Act.

### **Indirect Taxation**

Outlined below are the special tax benefits available to the Company and its shareholders under the Central Goods and Services Tax Act, 2017/ Integrated Goods and Services Tax Act, 2017 read with Rules, Circulars, and Notifications ("GST law"), the Customs Act, 1962, Customs Tariff Act, 1975 ("Customs law") and Foreign Trade Policy 2015-2020 ("FTR") (collectively referred as "Indirect Tax").

#### **A. SPECIAL TAX BENEFITS TO THE COMPANY**

There are no special tax benefits available to the Company under GST law.

#### **B. SPECIAL TAX BENEFITS TO THE SHAREHOLDERS**

The Shareholders of the Company are not entitled to any special tax benefits under the Indirect Tax.

## SECTION IV ABOUT THE COMPANY

### 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. Neither we nor any other person connected with the Issue has independently verified the information provided in this section. Industry sources and publications, referred to in this section, generally state that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed, and their reliability cannot be assured, and, accordingly, investment decisions should not be based on such information, our company does not take report form any agency about industry overview hence no such report are available in material Documents.

### GLOBAL ECONOMY OUTLOOK

The baseline forecast is for the world economy to continue growing at 3.2 percent during 2024 and 2025, at the same pace as in 2023. A slight acceleration for advanced economies—where growth is expected to rise from 1.6 percent in 2023 to 1.7 percent in 2024 and 1.8 percent in 2025—will be offset by a modest slowdown in emerging market and developing economies from 4.3 percent in 2023 to 4.2 percent in both 2024 and 2025. The forecast for global growth five years from now—at 3.1 percent—is at its lowest in decades. Global inflation is forecast to decline steadily, from 6.8 percent in 2023 to 5.9 percent in 2024 and 4.5 percent in 2025, with advanced economies returning to their inflation targets sooner than emerging market and developing economies. Core inflation is generally projected to decline more gradually.

The global economy has been surprisingly resilient, despite significant central bank interest rate hikes to restore price stability. Chapter 2 explains that changes in mortgage and housing markets over the pre-pandemic decade of low interest rates moderated the near-term impact of policy rate hikes. Chapter 3 focuses on medium-term prospects and shows that the lower predicted growth in output per person stems, notably, from persistent structural frictions preventing capital and labor from moving to productive firms. Chapter 4 further indicates how dimmer prospects for growth in China and other large emerging market economies will weigh on trading partners.



The global economy remains remarkably resilient, with growth holding steady as inflation returns to target. The journey has been eventful, starting with supply-chain disruptions in the aftermath of the pandemic, a Russian-initiated war on Ukraine that triggered a global energy and food crisis, and a considerable surge in inflation, followed by a globally synchronized monetary policy tightening.

Yet, despite many gloomy predictions, the world avoided a recession, the banking system proved largely resilient, and major emerging market economies did not suffer sudden stops. Moreover, the inflation surge—despite its severity and the associated cost-of-living crisis—did not trigger uncontrolled wage-price spirals (see October 2022 World Economic Outlook). Instead, almost as quickly as global inflation went up, it has been coming down. On a year-over-year basis, global growth bottomed out at the end of 2022, at 2.3 percent, shortly after median headline inflation peaked at 9.4 percent.

According to our latest projections, growth for 2024 and 2025 will hold steady around 3.2 percent, with median headline inflation declining from 2.8 percent at the end of 2024 to 2.4 percent at the end of 2025. Most indicators point to a soft landing. Markets reacted exuberantly to the prospect of central banks exiting from tight monetary policy. Financial conditions eased, equity valuations soared, capital flows to most emerging market economies excluding China have been buoyant, and some low-income countries and frontier economies regained market access (see the April 2024 Global Financial Stability Report).

Even more encouraging, we now estimate that there will be less economic scarring from the pandemic—the projected drop in output relative to prepandemic projections—for most countries and regions, especially for emerging market economies, thanks in part to robust employment growth. Astonishingly, the US economy has already surged past its prepandemic trend.

First, while inflation trends are encouraging, we are not there yet. Somewhat worryingly, the most recent median headline and core inflation numbers are pushing upward. This could be temporary, but there are reasons to remain vigilant. Most of the progress on inflation came from the decline in energy prices and goods inflation below its historical average. The latter has been helped by easing supply-chain frictions, as well as by the decline in Chinese export prices. But services inflation remains high—sometimes stubbornly so—and could derail the disinflation path. Bringing inflation down to target remains the priority.

Second, the global view can mask stark divergence across countries. The exceptional recent performance of the United States is certainly impressive and a major driver of global growth, but it reflects strong demand factors as well, including a fiscal stance that is out of line with long-term fiscal sustainability (see April 2024 Fiscal Monitor). This raises short-term risks to the disinflation process, as well as longer-term fiscal and financial stability risks for the global economy since it risks pushing up global funding costs. Something will have to give. In the euro area, growth will pick up this year, but from very low levels, as the trailing effects of tight.

Third, even as inflation recedes, real interest rates have increased, and sovereign debt dynamics have become less favorable in particular for highly indebted emerging markets. Countries should turn their sights toward rebuilding fiscal buffers. Credible fiscal consolidations help lower funding costs and improve financial stability. In a world with more frequent adverse supply shocks and growing fiscal needs for safety nets, climate adaptation, digital transformation, energy security, and defense, this should be a policy priority. Yet this is never easy, as the April 2023 World Economic Outlook documented: fiscal consolidations are more likely to succeed when credible and when implemented while the economy is growing, rather than when markets dictate their conditions. In countries where inflation is under control, and that engage in a credible multiyear effort to rebuild fiscal buffers, monetary policy can help support activity. The successful 1993 US fiscal consolidation and monetary accommodation episode comes to mind as an example to emulate.

Fourth, medium-term growth prospects remain historically weak. Chapter 3 of this report takes an in-depth dive into the different drivers of the slowdown. The main culprit is lower total factor productivity growth. A significant part of the decline comes from increased misallocation of capital and labor within sectors and countries. Facilitating faster and more efficient resource allocation can help boost growth. Much hope rests on artificial intelligence (AI) delivering strong productivity gains in the medium term. It may do so, but the potential for serious disruptions in labor and financial markets is high. Harnessing the potential of AI for all will

require that countries improve their digital infrastructure, invest in human capital, and coordinate on global rules of the road. Medium-term growth prospects are also harmed by rising geoeconomic fragmentation and the surge in trade restrictive and industrial policy measures since 2019. Global trade linkages are already changing as a result, with potential losses in efficiency. But the broader damage is to global cooperation and multilateralism.

Finally, huge global investments are needed for a green and climate-resilient future. Cutting emissions is compatible with growth, as is seen in recent decades during which growth has become much less emissions intensive. Nevertheless, emissions are still rising. A lot more needs to be done and done quickly. Green investment has expanded at a healthy pace in advanced

economies and China. Cutting harmful fossil fuel subsidies can help create the necessary fiscal room for further green investments. The greatest effort must be made by other emerging market and developing economies, which need to massively increase their green investment growth and reduce their fossil fuel investment. This will require technology transfer by other advanced economies and China, as well as substantial financing, much of it from the private sector, but some of it concessional.

(Source: <https://www.imf.org/en/Publications/WEO/Issues/2024/04/16/world-economic-outlook-april-2024>)

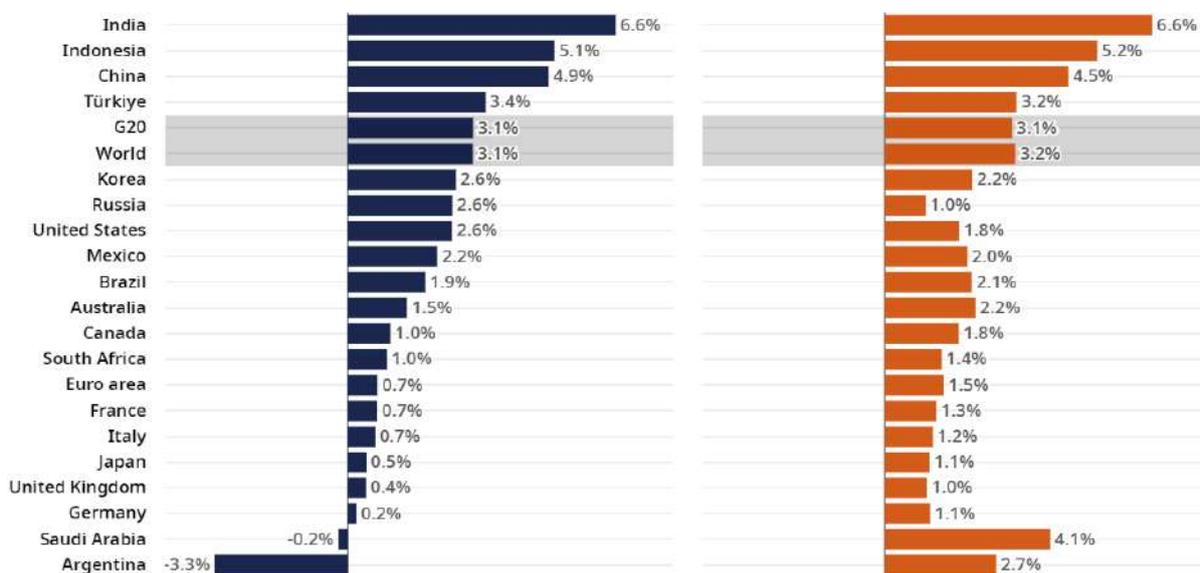
### Global activity has proved surprisingly resilient:

Global growth in 2023 continued at an annual rate above 3%, despite the drag exerted by tighter financial conditions and other adverse factors, including Russia's war of aggression against Ukraine and the evolving conflict in the Middle East. Global GDP growth is projected at 3.1% in 2024 and 3.2% in 2025, little changed from the 3.1% in 2023. This is weaker than seen in the decade before the global financial crisis, but close to currently estimated potential growth rates in both advanced and emerging market economies.

## GDP growth projections for 2024 and 2025

%, year-on-year

G20 economies



Source: OECD Economic Outlook, May 2024.

Headline inflation in the OECD is projected to gradually ease from 6.9% in 2023 to 5.0% in 2024 and 3.4% in 2025, helped by tight monetary policy and fading goods and energy price pressures. By the end of 2025, inflation is expected to be back on central bank targets in most major economies.

GDP growth in the United States is projected to be 2.6% in 2024, before slowing to 1.8% in 2025 as the economy adapts to high borrowing costs and moderating domestic demand. In the euro area, which stagnated in the fourth quarter of 2023, a recovery in real household incomes, tight labour markets and reductions in policy

interest rates will help generate a gradual rebound. Euro area GDP growth is projected at 0.7% in 2024 and 1.5% in 2025.

Growth in Japan should recover steadily, with domestic demand underpinned by stronger real wage growth, continued accommodative monetary policy and temporary tax cuts. GDP is projected to expand by 0.5% in 2024 and 1.1% in 2025.

China is expected to slow moderately, with GDP growth of 4.9% in 2024 and 4.5% in 2025, as the economy is supported by fiscal stimulus and exports.

“The global economy has proved resilient, inflation has declined within sight of central bank targets, and risks to the outlook are becoming more balanced. We expect steady global growth for 2024 and 2025, though growth is projected to remain below its longer-run average,” **OECD Secretary-General Mathias Cormann** said. “Policy action needs to ensure macroeconomic stability and improve medium-term growth prospects. Monetary policy should remain prudent, with scope to lower policy interest rates as inflation declines, fiscal policy needs to address rising pressures to debt sustainability, and policy reforms should boost innovation, investment and opportunities in the labour market particularly for women, young people and older workers.”

Significant uncertainty remains. Inflation may stay higher for longer, resulting in slower-than-expected reductions in policy interest rates and leading to further financial vulnerabilities. Growth could disappoint in China, due to the persistent weakness in property markets or smaller-than-anticipated fiscal support over the next two years. High geopolitical tensions remain a significant near-term risk to activity and inflation, particularly if the evolving conflict in the Middle East and attacks in the Red Sea were to widen or escalate. On the upside, demand growth could prove stronger than expected, if households and firms were to draw more fully on the savings accumulated during COVID-19.

Against this backdrop, the Outlook lays out a series of policy recommendations, highlighting the need to ensure a durable reduction in inflation, establish a budgetary path that will address rising fiscal pressures and undertake reforms that improve prospects for medium-term growth.

Monetary policy needs to remain prudent, to ensure that inflationary pressures are durably contained. Scope exists to lower policy interest rates as inflation declines, but the policy stance should remain restrictive in most major economies for some time to come.

Governments face rising fiscal challenges given high debt levels and sizeable additional spending pressures from population ageing, and climate adaptation and mitigation. Future debt burdens are likely to rise significantly if no action is taken, highlighting the need for stronger near-term efforts to contain spending growth, improve public spending efficiency, reallocate spending to areas that better support opportunities and growth, and optimise tax revenues.

“The foundations for future output and productivity growth need to be strengthened by ambitious structural policy reforms to improve human capital and take advantage of technological advances,” OECD Chief Economist Clare Lombardelli said.

(Source: <https://www.oecd.org/newsroom/economic-outlook-steady-global-growth-expected-for-2024-and-2025.htm>)

## INDIAN ECONOMY OUTLOOK

### Introduction

Strong economic growth in the first quarter of FY23 helped India overcome the UK to become the fifth-largest economy after it recovered from the COVID-19 pandemic shock. Nominal GDP or GDP at Current Prices in the year 2023-24 is estimated at Rs. 293.90 lakh crores (US\$ 3.52 trillion), against the First Revised Estimates (FRE) of GDP for the year 2022-23 of Rs. 269.50 lakh crores (US\$ 3.23 trillion). The growth in nominal GDP during 2023-24 is estimated at 9.1% as compared to 14.2% in 2022-23. Strong domestic demand for consumption and investment, along with Government’s continued emphasis on capital expenditure are seen as

among the key driver of the GDP in the first half of FY24. During the period January-March 2024, India's exports stood at US\$ 119.10 billion, with Engineering Goods (25.01%), Petroleum Products (17.88%) and Organic and Inorganic Chemicals (7.65%) being the top three exported commodity. Rising employment and increasing private consumption, supported by rising consumer sentiment, will support GDP growth in the coming months.

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

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

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

### **Market Size**

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

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

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

### **Recent Developments**

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

- According to HSBC Flash India PMI report, business activity surged in April to its highest level in about 14 years as well as sustained robust demand. The composite index reached 62.2, indicating continuous expansion since August 2021, alongside positive job growth and decreased input inflation, affirming India's status as the fastest-growing major economy.
- As of April 12, 2024, India's foreign exchange reserves stood at US\$ 643.162 billion.
- In 2023, India saw a total of US\$ 49.8 billion in PE-VC investments.
- Merchandise exports in March 2024 stood at US\$ 41.68 billion, with total merchandise exports of US\$ 437.06 billion during the period of April 2023 to March 2024.
- India was also named as the 48th most innovative country among the top 50 countries, securing 40th position out of 132 economies in the Global Innovation Index 2023. India rose from 81st position in 2015 to 40th position in 2023. India ranks 3rd position in the global number of scientific publications.
- In March 2024, the gross Goods and Services Tax (GST) stood at second highest monthly revenue collection at Rs.1.78 lakh crore (US\$ 21.35 billion), of which CGST is Rs. 34,532 crore (US\$ 4.14 billion), SGST is Rs. 43,746 crore (US\$ 5.25 billion).
- Between April 2000–December 2023, cumulative FDI equity inflows to India stood at US\$ 971.52 billion.
- In February 2024, the overall IIP (Index of Industrial Production) stood at 147.2. The Indices of Industrial Production for the mining, manufacturing and electricity sectors stood at 139.6, 144.5 and 187.1, respectively, in February 2024.
- According to data released by the Ministry of Statistics & Programme Implementation (MoSPI), India's Consumer Price Index (CPI) based retail inflation reached 5.69% in December 2023.
- Foreign Institutional Investors (FII) inflows between April-July (2023-24) were close to Rs. 80,500 crore (US\$ 9.67 billion), while Domestic Institutional Investors (DII) sold Rs. 4,500 crore (US\$ 540.56 million) in the same period. As per depository data, Foreign Portfolio Investors (FPIs) invested (US\$ 8.06 billion) in India during January-April 2024.
- The wheat procurement during RMS 2023-24 (till May) was estimated to be 262 lakh metric tonnes (LMT) and the rice procured in KMS 2023-24 was 385 LMT. The combined stock position of wheat and rice in the Central Pool is over 579 LMT (Wheat 312 LMT and Rice 267 LMT).

### **Government Initiatives**

Over the years, the Indian government has introduced many initiatives to strengthen the nation's economy. The Indian government has been effective in developing policies and programmes that are not only beneficial for citizens to improve their financial stability but also for the overall growth of the economy. Over recent decades, India's rapid economic growth has led to a substantial increase in its demand for exports. Besides this, a number of the government's flagship programmes, including Make in India, Start-up India, Digital India, the Smart City Mission, and the Atal Mission for Rejuvenation and Urban Transformation, is aimed at creating immense opportunities in India. In this regard, some of the initiatives taken by the government to improve the economic condition of the country are mentioned below:

- In February 2024, the Finance Ministry announced the total expenditure in Interim 2024-25 estimated at Rs. 47,65,768 crore (US\$ 571.64 billion) of which total capital expenditure is Rs. 11,11,111 crore (US\$ 133.27 billion).
- On January 22, 2024, Prime Minister Mr. Narendra Modi announced the 'Pradhan Mantri Suryodaya Yojana'. Under this scheme, 1 crore households will receive rooftop solar installations.
- On September 17, 2023, Prime Minister Mr. Narendra Modi launched the Central Sector Scheme PM-VISHWAKARMA in New Delhi. The new scheme aims to provide recognition and comprehensive support to traditional artisans & craftsmen who work with their hands and basic tools. This initiative is designed to enhance the quality, scale, and reach of their products, as well as to integrate them with MSME value chains.
- On August 6, 2023, Amrit Bharat Station Scheme was launched to transform and revitalize 1309 railway stations across the nation. This scheme envisages development of stations on a continuous basis with a long-term vision.

- On June 28, 2023, the Ministry of Environment, Forests, and Climate Change introduced the 'Draft Carbon Credit Trading Scheme, 2023'.
- The Government of India is expected to increase public health spending to 2.5% of the GDP by 2025.

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

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

Since India's resilient growth despite the global pandemic, India's exports climbed at the second-highest rate with a year-over-year (YoY) growth of 8.39% in merchandise exports and a 29.82% growth in service exports till April 2023. With a reduction in port congestion, supply networks are being restored. The CPI-C inflation reduction from June 2022 already reflects the impact. In September 2023 (Provisional), CPI-C inflation was 5.02%, down from 7.01% in June 2022. With a proactive set of administrative actions by the government, flexible monetary policy, and a softening of global commodity prices and supply-chain bottlenecks, inflationary pressures in India look to be on the decline overall.

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

## INDIAN FMCG INDUSTRY

The fast-moving consumer goods (FMCG) sector is India's fourth-largest sector and has been expanding at a healthy rate over the years as a result of rising disposable income, a rising youth population, and rising brand awareness among consumers. With household and personal care accounting for 50% of FMCG sales in India, the industry is an important contributor to India's GDP.

India is a country that no FMCG player can afford to ignore due to its middle-class population which is larger than the total population of the USA. The Indian FMCG market continues to rise as more people start to move up the economic ladder and the benefits of economic progress become accessible to the general public. More crucially, with a median age of just 27, India's population is becoming more consumerist due to rising ambitions. This has been further aided by government initiatives to increase financial inclusion and establish social safety nets.

Growing awareness, easier access, and changing lifestyles have been the key growth drivers for the sector. The urban segment (which 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.

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.

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 a 29% growth in ad volumes against the same period in 2019. Even the e-commerce sector showed a healthy 26% jump over 2020.

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 the unorganized market in the FMCG sector falling, the organized sector growth is expected to rise with an 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 the 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. The 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. E-commerce share of total FMCG sales is expected to increase by 11% by 2030. 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 the performance of companies within the sector.

## INDIAN SPICE INDUSTRY

### Overview

India is the world's largest spice producer. It is also the largest consumer and exporter of spices. The production of different spices has been growing rapidly over the last few years. Production in 2021-22 stood at 10.88 million tonnes. During 2020-21, the export of spices reached an all-time high both in terms of value and volume by registering a growth of 17% in US\$ value terms and 30% in volume terms. During 2021-22, the single largest spice exported from India was chili followed by spice oils and oleoresins, mint products, cumin, and turmeric.

### INDIAN THALI



Vegetables

Rice/Papad

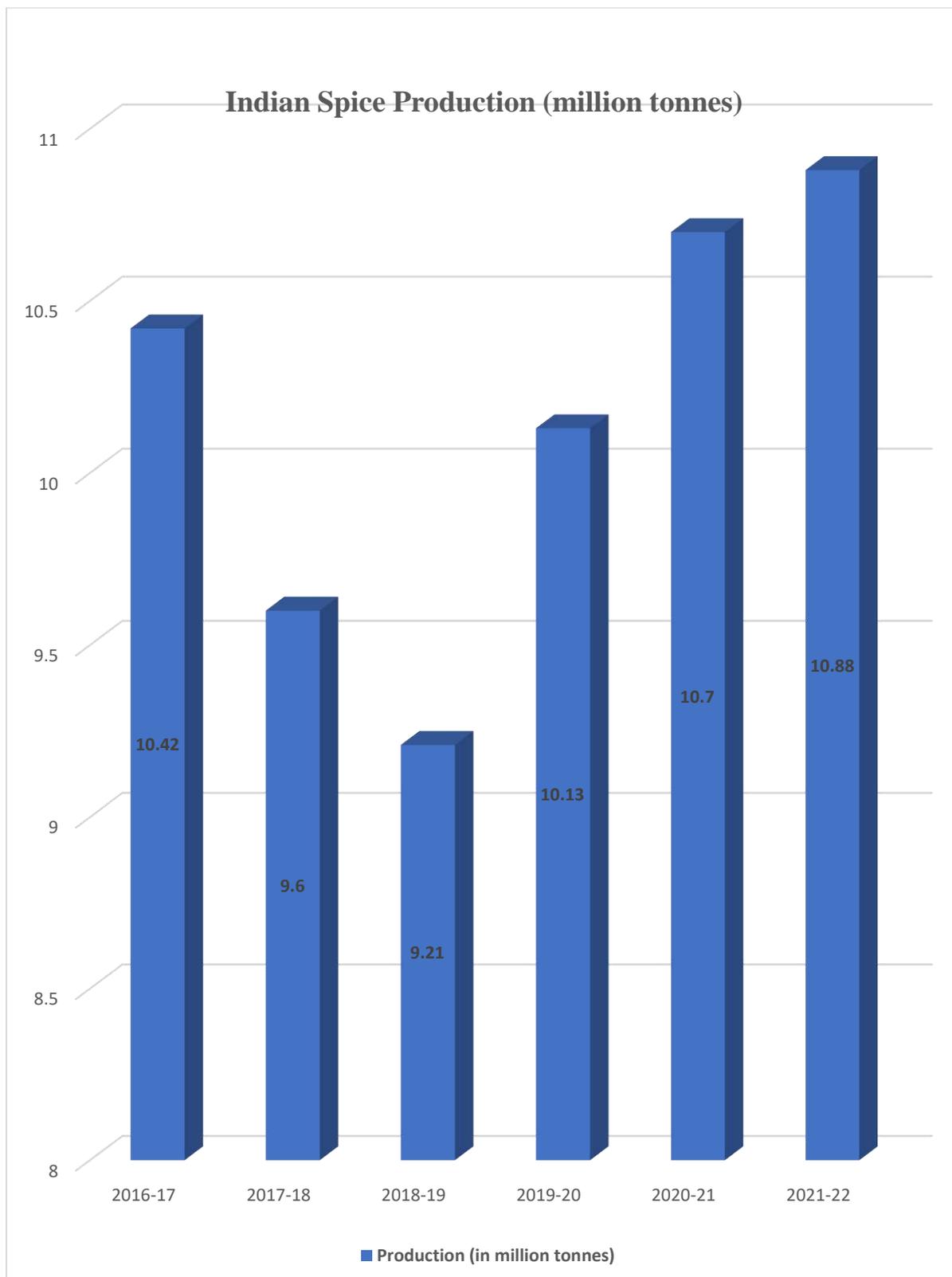
Wheat flour/oil

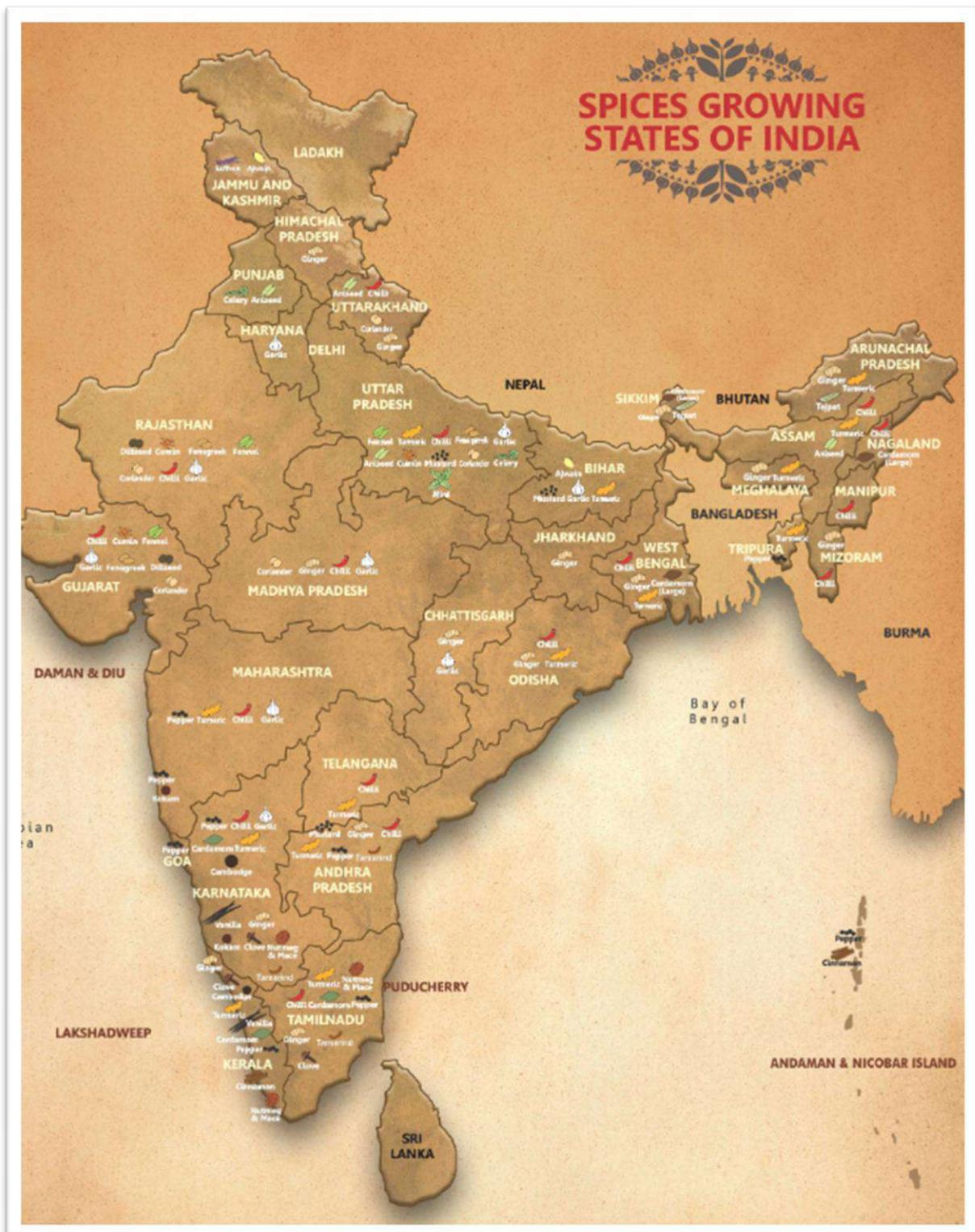
### Sauces & dressings

Chilli & turmeric | Coriander | Whole spices | Blended curry masalas

India produces about 75 of the 109 varieties listed by the International Organization for Standardization (ISO). The most produced and exported spices are pepper, cardamom, chili, ginger, turmeric, coriander, cumin, celery, fennel, fenugreek, garlic, nutmeg & mace, curry powder, spice oils, and oleoresins. Out of these spices, chili, cumin, turmeric, ginger, and coriander makeup about 76% of the total production.

The largest spices-producing states in India are Madhya Pradesh, Rajasthan, Gujarat, Andhra Pradesh, Telangana, Karnataka, Maharashtra, Assam, Orissa, Uttar Pradesh, West Bengal, Tamil Nadu, and Kerala.

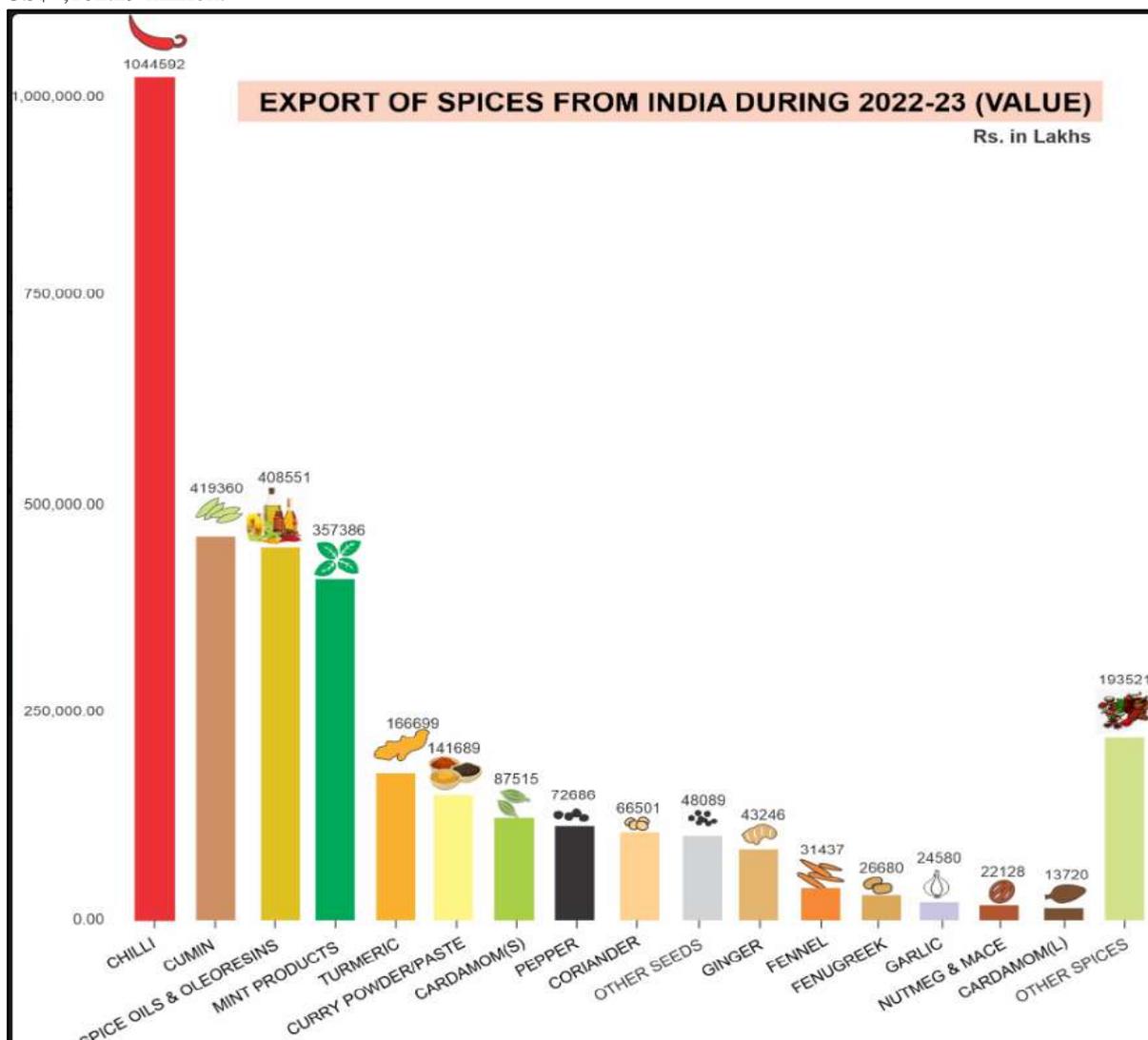




Src: [http://www.indianspices.com/sites/default/files/INDIA\\_SPICE\\_MAP.jpg](http://www.indianspices.com/sites/default/files/INDIA_SPICE_MAP.jpg)

## Export Market

India is the largest exporter of spice and spice items. For the year 2021-22, the country exported spices worth US\$4,102.29 million.



Src: <http://www.indianspices.com/>

India is the largest exporter of spice and spice items. During April-Feb 2023, the country exported spices worth US\$ 3,332.02 million.

In February 2023, the exports of spices from India increased by 44.12% to US\$ 379.51 million. In 2021-22, India exported 1.53 million tonnes of spices. From 2017-18 to 2021-22, the total exported quantity from India grew at a CAGR of 10.47%.

For FY22, total volumes of chilli, cumin, turmeric and ginger exports were 0.55, 0.21, 0.15 and 0.14 million tonnes.

### Chilli

Chilli harvesting is complete in almost all chili-producing states of India. The Post-harvest operations at farms continued in major chili-producing states like Andhra Pradesh and Telangana.

**Market Trend:** Chilli arrivals to markets have decreased considerably and are expected interim gently till the end of April. The farmers and traders are selling their products continuously in the market due to very good prices and are not holding onto their inventory. The cold storage inventory in all the chilly growing regions is only filled up to 50-60 % as the arrivals are very less from both traders and farmers.

### Turmeric

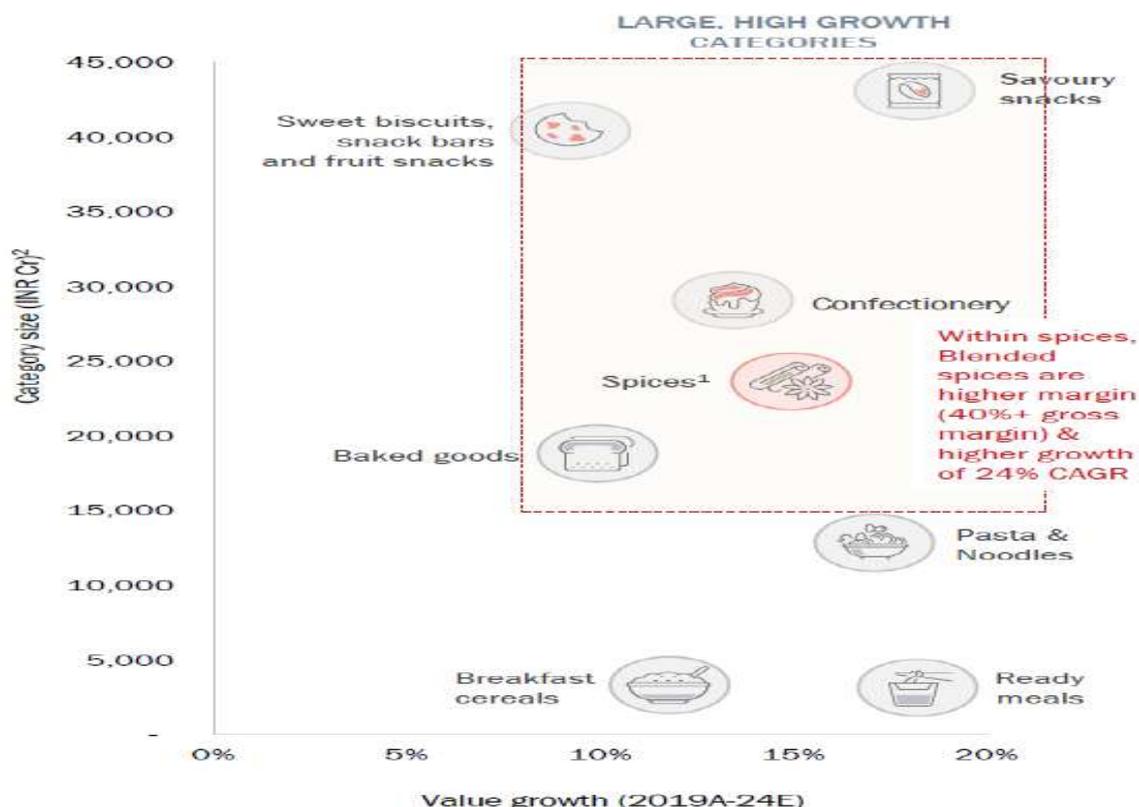
The initial forecast of production was high as Turmeric sowing increased by 10-15% across India. However, incessant and widespread rains from September to November led to crop damage almost by 15-20% in Maharashtra and Andhra Pradesh. Turmeric production during the 2022 season is estimated to be around 7 – 7.20 million bags (3,75,000– 4,05,000 MT), almost short by 20% against the 2021 crop. Carryover stock is estimated to be around 2.30 million bags (1,23,000 MT) during February 2022. As per estimates, the total supply for the new season would be around 9 – 9.30 million bags (485,000 – 510,000 MT) including carryover stocks. India consumes more than 80% of the total turmeric production.

**Market Trend:** Regular finger turmeric prices declined at domestic markets during March 2022 due to good arrivals from new crops and less export demand. Yellow spice lost its color and flavor in domestic markets in terms of price when cumin prices declined in international markets. Currently, finger turmeric is traded at Rs. 75 – 82/kg levels.

### Pepper

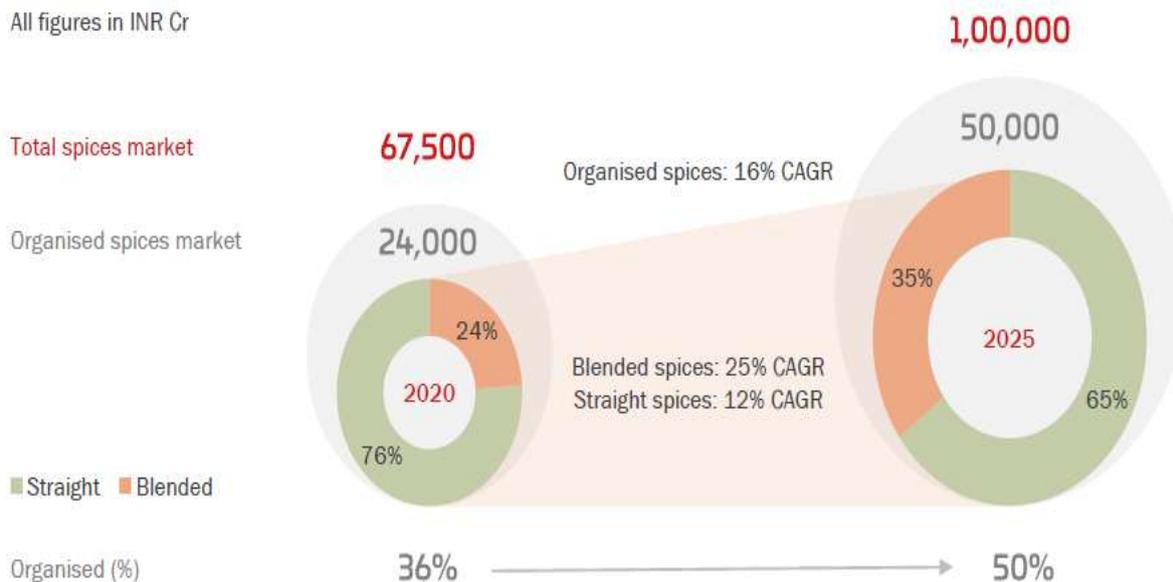
Pepper harvesting in India is at its last phase and it is estimated to be over by the second half of April. Hence, pepper production in India during 2022 is estimated to be around 55000 – 60000 tons.

**Market Trend:** Indian pepper prices continued their declining trend during March due to good arrivals and less demand from exporters. Ungarbled pepper was traded at Rs. 490 – 500/kg at domestic markets whereas, garbled pepper was traded at Rs. 530/kg levels.



**Potential to grow 2x to INR 50,000 crores by 2025**

The Indian blended spices market is growing faster than straight spices. It is expected to reach a 35% share of the total organized spices pie by 2025.



Src: [https://www.avendus.com/rypted\\_pdf\\_path/img\\_610bb9678ac5d\\_hot-and-spicy-branded-spices-report-50000-inr.pdf](https://www.avendus.com/rypted_pdf_path/img_610bb9678ac5d_hot-and-spicy-branded-spices-report-50000-inr.pdf)

**Government Initiatives & Recent Developments in the Spice Industry**

**Export Development and Promotion of Spices**

This initiative by the Spices Board of India aims to support the exporter to adopt high-tech processing technologies and upgrade the existing level of technology for the development of industry and to meet the changing food safety standards of the importing countries. The initiative provides benefits of infrastructure development, promoting Indian spice brands abroad, setting up infrastructure in the major spice growing centers, and promoting organic spices and special programs for north-eastern entrepreneurs.

**Setting up and maintenance of infrastructure for common processing (Spices Parks)**

Spices Board has launched crop-specific Spices Parks in key production/market centers with an aim to facilitate the farmers to get an improved price realization and wider reach for their produce. The purpose of the park is to have an integrated operation for cultivation, post-harvesting, processing, value-addition, packaging, and storage of spices and spice products. The common processing facilities for cleaning, grading, packing, and steam sterilization will help the farmers to enhance the quality of the produce, resulting in better price realization.

**Spice Complex Sikkim**

Spices Board submitted a project proposal to the State’s Cell for setting up a Spice Complex in Sikkim seeking financial assistance for facilitating and demonstrating common processing and value addition in spices to help farmers and other stakeholders in the state.

Src: [www.ibef.org](http://www.ibef.org)

## OUR BUSINESS

*Some of the information in the following section, especially information with respect to our plans and strategies, contain certain forward-looking statements that involve risks and uncertainties. You should read “**Forward Looking Statements**” on page 16 of this Letter of Offer 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 20. This section should be read in conjunction with such risk factors.*

*Unless otherwise indicated, industry and market data included in this section has been derived from the industry sources. This section should be read in conjunction with the “**Industry Overview**” on page 69 of this Letter of Offer. Our Financial Year ends on March 31 of each year, and references to a particular Financial Year are to the 12-month period ended March 31 of that year.*

*Unless otherwise stated, or the context otherwise requires, the financial information used in this section is derived from our “**Financial Information**”, included in this Letter of Offer on page 102.*

### OVERVIEW

Our Company was incorporated on January 29, 2019 as ‘**Srivari Spices and Foods Private Limited**’, a private limited company under the Companies Act, 2013, pursuant to a certificate of incorporation dated January 30, 2019 issued by the Deputy Registrar of Companies, Central Registration Centre. Subsequently, our Company was converted into a public limited company and consequently the name of our Company was changed to ‘**Srivari Spices and Foods Limited**’ and a fresh certificate of incorporation dated December 27, 2022 was issued by the Registrar of Companies, Telangana at Hyderabad. The corporate identification number of our Company is **L15494TG2019PLC130131**.

Our Company is engaged in the business of manufacturing spices and flour (chakki atta) and market & sell it in and around Telangana and Andhra Pradesh. We handpick our raw materials from various parts of the country and process our products with utmost care without the use of artificial preservatives or chemicals, thereby creating a product portfolio of organic spices and flour, which carry the freshness and goodness of each ingredient. Our unique business model has helped us penetrate the niche segment of our market and establish a customer base in and around Telangana and Andhra Pradesh. Our goal since our incorporation was to manufacture quality spices and other food products which are organic and do not contain any artificial preservatives or chemicals, and in order to achieve our goal we have created a unique business model, wherein we manufacture and package our products in quantities which can sustain a customer until the shelf life of our product, in order to avoid wastage and deliver a wide range of products which carry the freshness and goodness of each ingredient. Our business has two model first is direct to customer (“**D2C**”) in nature, wherein we deliver our products directly at the doorstep of our customers using approximately 15,000 retail stores. Secondly, we also work in business to business (“**B2B**”), wherein we deliver our products to the suppliers. Our business model has helped us create a strong customer base as the quantity of our products packed and delivered in directly proportional to the shelf life of our products, therefore, once the product is consumed by our customers, they place an order for the product and this helps us maintain a cyclic and continuous relationship with our customers.

We started our business operations in 2019 by setting up a state of art production facility at Survey number 234/4, and 234/5, Jalpally Village, Balapur Mandal, Jalpally Municipality, Ranga Reddy District, Telangana and manufacturing turmeric powder (haldi), chilli powder (mirchi) and coriander powder (dhaniya). In December 2021, we expanded our business operations by diversifying our product portfolio into madras sambar masala, chicken masala, garam masala and mutton masala in pouches, boxes and bottles. In 2021, our Company was awarded with the title of ‘**Best Emerging Spices Brand- 2021**’ by Business Mint. Further, in the year 2021, our Company expanded its business operations by setting up a new manufacturing unit at Raikal Village, Farooqnagar Mandal, Ranga Reddy District, Telangana. Lastly, in October 2022 we introduced a new product category by manufacturing whole wheat flour (chakki atta).

Our business model and our products are completely sustainable in nature. We source our raw materials directly from farmers to ensure that we use absolutely natural ingredients in our products. Our business model ensures that the farmers receive complete benefit of their produce without having to share their revenue with market intermediaries. Since, we source our raw materials directly from the farmers, we are able to offer our products at a lower range than our competitors, thereby having a unique pricing model. We source our raw materials from across the country to ensure that the products we manufacture have an authentic taste without artificially disturbing the natural taste of the spices or other food products. For instance, for our chilli powder we source our chillies from the farms of Guntur, Khammam, Warangal, Raichur, Byadgi, Malakpet, Hyderabad and our ‘Srivari Whole Wheat Atta’ and ‘Sharbati Atta’ is made from wheat grains which are sourced from Sehore, Vidisha and Sironj in Madhya Pradesh. Therefore, each of our products is made from the finest natural produce which caters to the genuine taste and an assurance of authenticity.

Sharbati wheat, also known as "Sharbati atta" or "Sharbati gehun" in Hindi, is a distinct variety of wheat primarily cultivated in the central region of India, particularly in Madhya Pradesh. Unlike regular wheat, which encompasses various wheat varieties grown worldwide, Sharbati wheat stands out due to its specific attributes.

#### **Here are the key differences between Sharbati wheat and regular wheat:**

**Protein content:** Sharbati wheat possesses a slightly higher protein content compared to regular wheat, making it an excellent choice for bread-making purposes.

**Flavor:** Sharbati wheat offers a unique nuttier and sweeter flavor profile, making it a popular preference for creating chapatis or rotis, traditional Indian breads.

**Gluten content:** Sharbati wheat contains a lower gluten content than regular wheat, which makes it less suitable for producing pastries or cakes that require more gluten for proper texture and structure.

**Yield:** Sharbati wheat has a lower yield than regular wheat, leading to higher production costs and limited availability in comparison. As a result, it is considered relatively more expensive and less commonly found.

**Nutritional value:** Sharbati wheat boasts a higher nutritional value, serving as a good source of essential vitamins and minerals like iron, calcium, and potassium. This aspect contributes to its reputation as a healthier alternative to regular wheat.

In summary, Sharbati wheat represents a specific variety of wheat with distinct characteristics. Its higher protein content, sweeter flavor, lower gluten content, and enhanced nutritional value make it an ideal choice for making traditional Indian breads such as chapatis or rotis. However, its lower yield and relatively higher cost limit its widespread availability.

Since incorporation, it has been our Company’s vision and focus to manufacture and supply superior quality products to our customers, which has enabled us to expand our business operations and receive certifications for our products and efficient processing techniques. We have a quality control and assurance division (“**Quality Division**”) in all our manufacturing units which carries out the required tests on the materials received including raw materials which are used in the manufacturing process and also on the final products. Our Quality Division also carries out tests on all the stages of our manufacturing processes to ensure that the quality is built through the process. We ensure adherence to the regulatory standards laid down for our products.

We operate from two manufacturing units located in Telangana namely, Unit – I situated at 234/5, Jalpally Village, Balapur Mandal, Jalpally Municipality, Ranga Reddy District, Telangana and Unit – II situated at Raikal Village, Farooqnagar Mandal, Ranga Reddy District, Telangana, respectively. Our Company had commenced its business operations from Unit – I and had set up Unit - II in 2021 to expand its manufacturing operations. Unit-II has been set up to manufacture ‘Srivari Whole Wheat Atta’ and ‘Sharbati Atta’, thereby enabling our Company to expand its product portfolio and customer base. Our units are well equipped with machineries and other handling equipment to facilitate smooth manufacturing process. Along with this, the units also have an in-house laboratory for testing the quality of products.

Our revenues from operations for the Fiscals 2024 was ₹ 7,828.33 lakhs. Our EBITDA for the Fiscals 2024 was ₹ 1255.96 lakhs. Our profit after tax for the Fiscals 2024 was ₹ 703.39 lakhs. For further details, please refer to the section titled “*Financial Information*” on page 102 of this Letter of Offer.

## **OUR COMPETITIVE STRENGTHS**

### ***Unique and sustainable business model***

Our Company is engaged in the business of manufacturing spices and flour (chakki atta) and market & sell it in and around Telangana and Andhra Pradesh. We source our products directly from farmers across the country and market and sell our products directly to our customers, without involving any major intermediaries, which helps us provide complete revenue share to the farmers and provide cost competitive and affordable products to our customers. Our unique business model has helped us penetrate the niche segment of our market and establish a customer base in and around Telangana and Andhra Pradesh. Further, in order to make our products sustainable, in addition to using locally available quality unadulterated raw materials, we also ensure that we do not tamper with the taste of the spices by not adding any artificial preservatives or chemicals, while manufacturing them. We sustain our products by manufacturing and packaging products in quantities which are proportionate to the shelf life of our product, in order to avoid wastage and deliver a wide range of products which carry the freshness and goodness of each ingredient. Our business has two model first is direct to customer (“D2C”) in nature, wherein we deliver our products directly at the doorstep of our customers using approximately 15,000 retail stores. Secondly, we also work in business to business (“B2B”), wherein we deliver to our products to the suppliers.

### ***Diversified Product Basket***

Our Company provides diversified product such as blended spices and whole wheat flour. Further, these products are available in different varieties. We are able to serve better with such diversified product basket. This helps us build brand recognition and customer loyalty.

### ***Strong and stable management team with proven ability***

We believe that our management team has a long-term vision and has proven its ability to achieve long-term growth of the Company. Our Promoters have prolonged experience in food processing industry. We believe that the strength of our management team and their understanding of the industry will enable us to continue to take advantage of current and future market opportunities.

### ***Well Established Brand name and goodwill amongst market players***

We operate in a brand sensitive market. We have earned goodwill & competitive edge through our consistent quality-oriented service. Few famous spices from the house of *Srivari* are turmeric powder (*haldi*), chilli powder (*mirchi*), coriander powder (*dhaniya*), madras sambar masala, chicken masala, garam masala and mutton masala and whole wheat flour (*chakki atta*). In view of our innovative business model and quality products, we were awarded with the title of ‘*Best Emerging Spices Brand- 2021*’ by Business Mint. Our innovative and quality products help us to achieve brand recall among our consumers which strengths our brand equity.

### ***Existing client and supplier relationships***

We believe in constantly addressing the customer needs for variety of our products. Our existing relationships help us to get repeat business from our customers. This has helped us to maintain a long-term working relationship with our customers and improve our customer retention strategy. We have strong existing client relationships which generates multiple repeat orders. We believe that our existing relationship with our clients represents a competitive advantage in gaining new clients and increasing our business. Further being a small and medium size organisation, we rely on personal relationships with our customers. We believe that existing relationships will help as a core competitive strength for us.

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

We are committed towards quality of our products. Our determination towards quality is demonstrated by well-defined quality and safety procedures at various stages of our manufacturing process from procurement of raw material to distribution of our products. Owing to the expertise of our experienced and trained team forming part of our Quality Division, all our products are manufactured strictly as per the regulatory standards. All our manufacturing facilities have a fully equipped Quality Division with experienced and qualified staff to carry out quality checks and inspections at all the stages of our manufacturing process. We have in-house laboratories and necessary infrastructure to test our raw materials and finished products to match the quality standards as specified by the relevant customers. Our Quality Division and in-house laboratories are well-equipped for ensuring the quality and compliance with regulatory standards.

## **OUR BUSINESS STRATEGIES**

### ***Improving operational efficiencies***

Our Company intends to improve efficiencies to achieve cost reductions so that they can be competitive. We believe that this can be done through domestic presence and economies of scale. Increasing our penetration in existing regions with new range of products, will enable us to penetrate into new catchment areas within these regions and optimize our infrastructure. As a result, of these measures, our company will be able to increase its market share and profitability.

### ***Leveraging our Market skills and Relationships***

This is a continuous process in our organization and the skills that we impart in our people, gives importance to customers. We aim to enhance the growth by leveraging our relationships and further enhancing customer satisfaction. We plan to increase our customers by meeting orders in hand on time, maintaining our customer relationship and renewing our relationship with existing buyers.

### ***Enhance customer base by entering new geographies to establish long-term relationships***

Currently our company's business activities are focused only in Telangana and Andhra Pradesh; however, we intend to cater to the increasing demand of our existing customers and to increase our existing customer base by enhancing the distribution reach of our products in different parts of the country. We propose to increase our marketing and sales team, which can focus in different regions and also maintain and establish relationship with customers. Enhancing our presence in additional regions will enable us to reach out to a larger population. Further, our Company believes in maintaining long term relationship with our customers in terms of increased sales. We aim to achieve this by adding value to our customers through innovation, quality assurance and timely delivery of our products.

### ***Value proposition for consumers***

We plan to grow our business primarily by growing the number of client relationships, as we believe that increased client relationships will add stability to our business. Our brand equity has increased over the years, driven by product innovation and cost efficiencies in our production and distribution operations, and offering superior value proposition for consumers, through a wide range of our products. We believe that the relatively high grammage and consequent value proposition that we offer to the price conscious middle-class Indian consumers who form a large proportion of the consumer market in India, has been an important factor in the growth and acceptance of our brand and our market share, particularly in the urban, semi-urban and rural markets in India. We seek to build on existing relationships and also focus on bringing into our portfolio more clients. Our Company believes that business is a by-product of relationship. Our Company believes that a long-term client relationship with large clients reap fruitful returns. Long-term relations are built on trust and continuous meeting with the requirements of the customers.

### ***Strengthening our brand***

We intend to invest in developing and enhancing recognition of our brands, through brand building efforts, communication and promotional initiatives such as exhibitions, fairs, organizing food events, participation in industry events, public relations and investor relations efforts. This will help us to maintain and improve our

global and local reach. We believe that our branding exercise will enhance the recall value and trust in the minds of our customers and will help in increasing demand for our products.

Recently the company has done their exhibitions in All India Industrial Exhibition held in Hyderabad Telangana conducted by the Government of the India. Exhibitions can be an excellent way for companies to showcase their products or services and connect with potential customers the glimpses of the same are below:-



### *Penetration into global markets*

We are looking forward to enter into global markets and we plan to target countries where we can leverage our track record and experience in India to compete effectively and expand our revenue base.

### *Improving Efficiency*

Our Company intends to improve operating efficiencies to achieve higher operational effectiveness resulting in greater production on volumes, and higher sales, which allowing us to distribute our fixed costs to the number of units sold, hence profit margins increased.

## **DETAILS OF OUR BUSINESS**

### **PRODUCTS**

Our product portfolio is as follows:



### Spices

Particulars	Description
	<p>Indians just love the distinctive flavor and alluring aroma of spices. For all those people who love spicy food, the addition of the extra red chili powder in the food is a treat to eat.</p> <p>Chili peppers are varieties of the berry-fruit of plants from the genus <i>Capsicum</i>, which are members of the nightshade family <i>Solanaceae</i>, cultivated for their pungency. Chili peppers are widely used in many cuisines as a spice to add "heat" to dishes. Capsaicin and related compounds known as capsaicinoids are the substances giving chili peppers their intensity when ingested or applied topically.</p> <p>The hot and fiery flavor isn't the only specialty of it as red chili powder is also a treasure trove of health benefits which include digestive health and reduction in inflammations and pain. It relieves nasal congestion and also helps in improving cognitive functions.</p> <p>This Product available in 50gm, 100gm, 200gm, and 500gm only.</p>
	<p>Coriander (<i>Coriandrum sativum</i>) is an herb in the family <i>Apiaceous</i>. It is also known as dhania or cilantro. All parts of the plant are edible, but the fresh leaves and the dried seeds (which are both an herb and a spice) are the parts most traditionally used in cooking.</p> <p>Coriander powder is used as a common spice in most Indian curries. You will be surprised to know that the seeds, oils, and extracts of this plant promote the secretion of insulin and reduce blood sugar levels.</p> <p>Furthermore, the seeds contain anti-fungal and microbial properties. So, whether used as a seasoning in the lentil curry or vegetables, the goodness stays forever.</p>

Particulars	Description
	<p>This Product available in 50gm, 100gm, 200gm, and 500gm only.</p> <p>Turmeric is a flowering plant, <i>Curcuma longa</i> (of the ginger family, the rhizomes of which are used in cooking. The plant is native to the Indian subcontinent and Southeast Asia that requires temperatures between 20 and 30 °C (68 and 86 °F) and a considerable amount of annual rainfall to thrive. Plants are gathered each year for their rhizomes, some for propagation in the following season and some for consumption.</p> <p>Turmeric is a must-have in all Indian dishes. One of the most active ingredients of turmeric is curcumin and clinical research proves that consuming it may reduce the possibility of cardiac attacks.</p> <p>Besides, the spice helps in boosting brain functions and reverses the chances of diseases. Small studies also reveal significant benefits of turmeric for fighting depression. Turmeric helps in enhancing brain transmitters, such as serotonin and dopamine, and is also used for treating problems in the gall bladder, skin, and stomach.</p> <p>This Product available in 50gm, 100gm, 200gm, and 500gm only.</p>
	<p>Madras sambar masala is a spice blend used in South Indian cuisine, particularly in the preparation of sambar, a lentil-based vegetable stew. The masala typically includes a combination of roasted and ground spices such as coriander seeds, cumin seeds, fenugreek seeds, black peppercorns, mustard seeds, dried red chilies, turmeric, and curry leaves.</p> <p>This Product available in 50gm, 100gm, 200gm, and 500gm only.</p>
	<p>Garam masala is a blend of ground spices commonly used in Indian and South Asian cuisines. The name "garam masala" translates to "hot mixture," although it doesn't necessarily refer to spiciness or heat, but rather to the warmth and complexity of the blend.</p> <p>The ingredients in garam masala can vary depending on the recipe and the region where it is used, but typically it includes a mixture of warming and aromatic spices such as cinnamon, cloves, cardamom, cumin, coriander, nutmeg, and black pepper. Some recipes may also include additional ingredients like bay leaves, fennel seeds, or star anise.</p> <p>Garam masala is often added to dishes near the end of cooking or as a finishing touch to add depth of flavor and aroma. It is commonly used in curries, soups, stews, and other savory dishes in Indian cuisine, and can also be used to flavor rice, vegetables, and meat dishes.</p> <p>This Product available in 50gm, 100gm, 200gm, and 500gm only.</p>

Particulars	Description
	<p>Mutton masala is a spice blend used in Indian and South Asian cuisines to flavor mutton or goat meat. The exact blend of spices can vary depending on the recipe and the preferences of the cook, but typically includes a mixture of ground spices such as coriander, cumin, turmeric, ginger, garlic, chili powder, and garam masala.</p> <p>The mutton is typically marinated in the masala for several hours or overnight, which allows the spices to penetrate the meat and infuse it with flavor. The marinated meat can then be cooked in a variety of ways, such as braising, stewing, or grilling, to create a flavorful and tender dish.</p> <p>Mutton masala is a popular dish in Indian and South Asian cuisine and is often served with rice or bread. It can also be made with other types of meat, such as chicken or beef, depending on personal preference.</p> <p>This Product available in 50gm, 100gm, 200gm, and 500gm only.</p>
	<p>Chicken masala is a popular dish in Indian and South Asian cuisine made with chicken that has been cooked in a spiced tomato-based sauce. The spice blend used in chicken masala can vary depending on the recipe and the region where it is made, but typically includes a mixture of ground spices such as coriander, cumin, turmeric, ginger, garlic, and garam masala.</p> <p>To make chicken masala, boneless chicken is typically marinated in a mixture of yogurt and spices for several hours or overnight to tenderize the meat and infuse it with flavor. The chicken is then cooked in a spiced tomato-based sauce, which is made by sautéing onions, garlic, and ginger in oil and then adding spices and tomato puree. The chicken is simmered in the sauce until cooked through and tender.</p> <p>Chicken masala can be served with rice or bread, such as naan or roti, and can be adjusted in spiciness to personal preference. It is a popular dish both in restaurants and as a homemade meal in Indian and South Asian households.</p> <p>This Product available in 50gm, 100gm, 200gm, and 500gm only.</p>

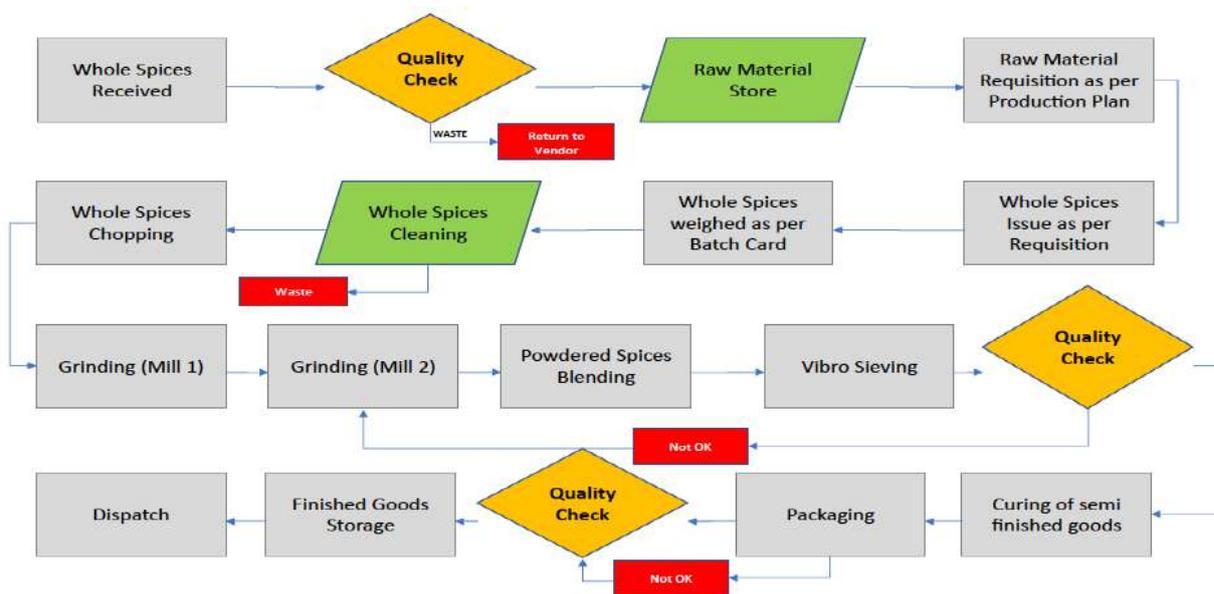
### Wheat Flour

Particulars	Description
	<p>Srivari Whole Wheat Atta and Sharbati Atta is made from wheat grains which are heavy on the palm, golden amber in color and hard in bite.</p> <p>The Sharbati Wheat Atta sourced from Sehore, Vidisha and Sironj in Madhya Pradesh, India and grinded in the state-of-art Choyal automated grinding plant.</p> <p>Srivari Whole Wheat Atta has years of research behind it. Sourced from the fields of Sehore, Vidisha and Sironj in Madhya Pradesh, India, our atta is the quintessential Sharbati atta. The wheat is conditioned – cleaned multiple times and stored – and then ground in an automated unit.</p> <p>We do not add any preservatives.</p>

Particulars	Description
 <ul style="list-style-type: none"> <li>▶ BEST QUALITY</li> <li>▶ HYGENIC PROCESS</li> <li>▶ NO PRESERVATIVES</li> <li>▶ WHOLE WHEAT CHAKKI ATTA</li> </ul>	<p>We pack and deliver to over 15000 retail outlets in Telangana and Andhra Pradesh. We also deliver it directly to the consumer through our own unique D2C model.</p> <p>Our atta is delivered fresh and we guarantee delivery within 3 days of grinding the wheat</p> <p>This Product available in 1kg, 5kg, and 10kg only.</p>

### Manufacturing Process:

#### Spices:



#### Sharbati Wheat Flour & Whole Wheat Flour:







**Machine Details:**

List of Machinery with processing Details (Unit I)	
Chilli Machines	Purpose
Raw material feeder	Feeding
Cleaner	Raw material cleaning
Duct collector	Dust collection
Grinder-1	grinding
Dust collector	Dust collection
Grinder-2	Grinding
Duct collector	Dust collection
Grinder -3	Grinding
Mixer	Powder mixing
Sewer	Final sewing
Packing-1	Small packing
packing-2	Large packing
Turmeric machine	Purpose
Feeder	Raw material feeding
Cleaner	Raw material cleaning
Duct collector	Dust collector
Grinder	Grinding
Sewer	Final Sewing

Packing	Final Packing
Atta Plant Machinery (Unit II)	
Machine Name	Purpose*
ASPIRATION CHANNEL	-
METERING CONVEYOR	-
BRAN FINISHER	-
REEL MACHINE WITH BRUSH SV-2/3/4 SIEVE	-
ROTARY SEPARATOR SV-900/1200/1500	-
CLASSIFIER SEPARATOR SV-1000X1500(DOUBLE DECK)	-
DRUM SIEVE	-
GRAVITY SELECTOR CUM DE-STONER SV-730/930	-
INTENSIVE SCOURER SV-1000/1500 (SINGLE)	-
INTENSIVE SCOURER SV-1000/1500 (DOUBLE)	-
INTENSIVE DAMPNER(M.S) SV-1.5/2	-
INTENSIVE DAMPNER(S.S.BODY) SV-1.5/2	-
EMERY ROLL WITH ASPIRATION CHANNEL	-
REVERSE JET FILTER (WITHOUT COMPRESSOR) SV-57	-
SCREW CONVEYOR 6" /8"/10" BLADE SIZE	-
SINGLE BUCKET ELEVATOR 5"/6"/8"/10" BOX SIZE	-
HAMMER MILL SV-12"/16"/18"/24"	-
BIN DISCHARGER DIA 600MM/900MM/1500MM	-
PICKUP DRUM FOR PNEUMATIC SYSTEMS	-
PNEUMATIC FEEDER PICKUP DRUM FOR PNEUMATIC SYSTEMS	-
DUST CYCLONE DIA 960MM/1120MM/1320MM/1500MM/2000MM	-
MANA CYCLONE DIA 500MM	-
GRAVITY PIPE (M.S.)DIA 120MM.16SWG 1MT./DIA 180MM 16SWG 1MT	-
KNEE SEGMENT 10,15 DEG. DIA 120MM 16SWG	-
INSPECTION TEE DIA 120MM,16SWG VEEDIA 120MM, 16SWG	-
TWO WAY DIVIDER DIA 120MM,16SWG	-
PIPE RING DIA 120MM,16SWG	-
GRAVITY PIPE (G.I) DIA 120MM,22SWG,1MT.	-
KNEE SEGMENT DIA 120MM X 10°,15°,22SWG.G.I	-
INSPECTION TEE 120MM,22SWG,G.I	-
VEE 120MM,22SWG,G.I	-
AIRLOCK SIZE 150MM & 200MM	-
GRAIN FEEDER WITH VFD	-
VIBRO POWDER DOZER	-
MAGNETS	-
CERTIFIED FANS LP/HP/MP	-
GRAIN MIXING/BLENDING SYSTEM	-

\*The Purpose of the same is interlink between all the machines involved in Atta plant.

### REVENUE BREAK-UP

- a) A revenue breakup of the revenue earned from the sale of spices and wheat flour for the preceding three fiscals has been provided below:

(₹ in lakhs)

S. No.	State	Fiscal 2024
1.	Spices	3131.17
2.	Wheat flour	4697.16
<b>Total</b>		<b>7828.33</b>

b) Following is our detailed revenue breakup of the preceding three fiscals.

(₹ in lakhs)

S. No.	Fiscal 2024
<b>1.Revenue from Operations</b>	7,828.33
<b>2.Other Income</b>	0.20
<b>Total</b>	<b>7,828.53</b>

c) The following is the revenue breakup of the top five and top ten customers of our Company of preceding three fiscals are as follows(B2B):

(₹ in lacs)

Particulars	Fiscal 2024	
	Amount	Percentage
Top 5 customers	5,617.66	71.76%
Top 10 customers	6,385.85	81.57%

## HUMAN RESOURCE

Our manpower is a prudent mix of the experienced and young people which gives us the dual advantage of stability and growth, along with assurance of quality.

Department wise bifurcation of our employees as of March 31, 2024 has been provided below:

Sr. No.	Division / Department	Number of Employee
	Sales Division	34
	Administration	33
	<b>Total</b>	<b>67</b>

## UTILITIES

### Power

The electricity for our manufacturing units is sourced from Southern Power Distribution Company of Telangana.

### Water

Our processing units have adequate water supply position. The Unit source their water supply from borewells installed in our manufacturing units.

### Capacity Installed and Capacity Utilisation

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

#### Unit-I

Financial Year	Installed Capacity (in MTPA)	Utilized Capacity (in MTPA)	Percentage of utilization (%)
2021-2022	2400	840	35.00%
2022-2023	2400	1440	60.00%
2023-2024	3600	1301.51	36.15%

## Unit-II

Financial Year	Installed Capacity (in MTPA)	Utilized Capacity (in MTPA)	Percentage of utilization (%)
2022-2023	15000	3000	20.00%
2023-2024	14,400	9482.75	65.85%

## COLLABORATIONS

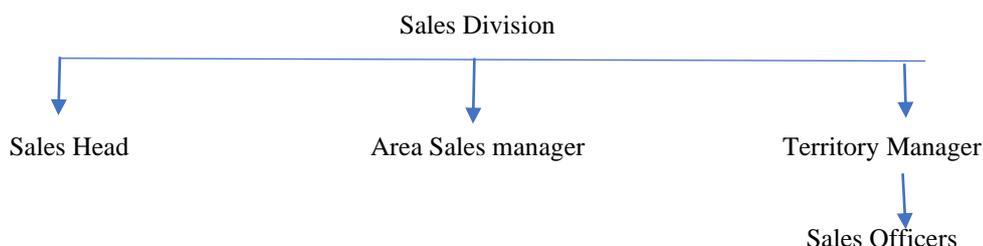
As on date of this Letter of Offer, we have not entered into any technical or financial collaborations or agreements.

### Insurance

Our Company has availed ICICI Bharat Sookshma Udyam Suraksha for insuring our plant and machinery situated at our manufacturing units.

### Marketing

Our marketing network has been depicted below:



The efficiency of the marketing and sales network is critical to the success of our Company. Our success lies in the strength of our relationship with our customers who have been associated with our Company. The promoter of the company having vast experience and good rapport with the customers owing to timely and quality delivery of products plays an instrumental role in creating and expanding a work platform as well as building trust for our Company.

To develop customers, our management and other personnel, directly interacts with prospective customers and also market our products to our existing customers. To increase our customer base, we identify the prospective clients, understand their requirements, explain them our product range and value addition we can offer. We strictly adhere to the quality expectations of the customers and at times take inputs from them and providing them with best of technology that is present in the world which help us in improving our product's quality and thus enable us to match up to their expected standards. We also intend to expand our existing customer base by reaching out to other geographical areas. We are committed to promote our business by widening our presence through our marketing network.

## INTELLECTUAL PROPERTY RIGHTS

As on date of this Letter of Offer, our Company has made the following application for registering our trademark:

Sr. No.	Particulars	Trade Mark Application	Date of registration*	Class
1.		3480847	February 11, 2017	30

## INFRASTRUCTURE AND FACILITIES

### Registered Office & Manufacturing unit -I.

#### Srivari Spices and Foods Limited

Shed No. 5-105/4/A, SY No.234/A

Sriram Industrial Area, Kattedan,

Jalpally, Hyderabad – 500 077,

Telangana, India.

### Corporate Office of our Company (*Address at which the books of account of our Company are maintained*)

4-1-875, 876, 877 and 877/1, RDB Blue Hope,

Tilak Road, Abids,

Hyderabad- 500 001,

Telangana, India

### Manufacturing Unit - II

Property bearing No 6-50/1,

Serial Number 365/A,

Raikal Village,

G.P. Farooqnagar Mandal,

Ranga Reddy District – 509 202

Telangana, India

All our facilities including our in-house laboratory and our Quality Division are housed in our manufacturing units. Further, our warehouse is also housed in our manufacturing unit.

## LAND AND PROPERTY

We carry out our business operations from the following properties:

### i) Freehold Property

Sr. No.	Particulars of the Property	Usage
1.	Property bearing No 6-50/1, Serial Number 365/A, Raikal Village, G.P. Farooqnagar Mandal, Ranga Reddy District – 509 202, Telangana, India	Manufacturing Unit - II

### ii) Leasehold Property

Sr. no.	Details of the Deed/Agreement	Particulars of the property, description and area	Consideration/ License Fee/Rent	Tenure/ Term	Usage
---------	-------------------------------	---	---------------------------------	--------------	-------

Sr. no.	Details of the Deed/Agreement	Particulars of the property, description and area	Consideration/ License Fee/Rent	Tenure/ Term	Usage
1.	Lease agreement dated March 23, 2023 executed between Neihaa Rathi and our Company.	Shed No. 5-105/4/A, SY No.234/A, Sriram Industrial Area, Kattedan, Jalpally, Hyderabad – 500 077, Telangana, India.	₹ 1,50,000 per month	For a period of ten (10) years with effect from March 23, 2023	Registered Office and Manufacturing Unit - I
2.	Lease deed dated December 29, 2022 executed between Mohammad Basheer alias Mohd. Basheer and Hamida Ilyas (“Lessors”) and our Company	4-1-875, 876, 877 and 877/1, RDB Blue Hope, Tilak Road, Abids, Hyderabad- 500 001, Telangana, India	<b>Rent</b> : ₹ 70,000 per month  <b>Refundable security deposit:</b> ₹ 8,40,000	For a period of five (05) years with effect from January 1, 2023 until December 31, 2027	Corporate Office

*(The remainder of this page is intentionally left blank)*

## OUR MANAGEMENT

### BOARD OF DIRECTORS

Our Articles of Association provide that our Board shall consist of minimum 3 (Three) Directors and not more than 15 (Fifteen) Directors, unless otherwise determined by our Company in a general meeting.

As on date of this Letter of Offer, Our Company has six (5) Directors consisting of five (05) Directors on our Board, which includes two (02) Whole-Directors, one of whom is a woman director and three (03) Independent Directors. The present composition of our Board of Directors and its committees are in accordance with the corporate governance requirements provided under the Companies Act and SEBI (LODR) Regulations, to the extent applicable.

The following table sets forth details regarding our Board of Directors as on the date of this Letter of Offer:

Name, DIN, Date of Birth, Designation, Address, Occupation, Term and Nationality	Age (years)	Other Directorships
<p><b>Rathi Narayan Das</b></p> <p><b>DIN:</b> 09065949</p> <p><b>Date of Birth:</b> November 20, 1977</p> <p><b>Designation:</b> Chairman and Whole-time Director</p> <p><b>Address:</b> 14-6-435, Nagarkhane, Nampally, Begumbazar, Hyderabad – 500 012, Telangana, India</p> <p><b>Occupation:</b> Business</p> <p><b>Term:</b> For a period of three (03) years with effect from March 2, 2023.</p> <p><b>Period of Directorship:</b> Director since August 19, 2022. Whole-time Director since March 2, 2023</p> <p><b>Nationality:</b> Indian</p>	46	Srivari Supply Chain Private Limited
<p><b>Neihaa Rathi</b></p> <p><b>DIN:</b> 05274847</p> <p><b>Date of Birth:</b> August 10, 1981</p> <p><b>Designation:</b> Whole-time Director</p> <p><b>Address:</b> 14-6-435, Nagarkhane, Nampally, Begumbazar, Hyderabad – 500 012, Telangana, India</p> <p><b>Occupation:</b> Business</p> <p><b>Term:</b> For a period of three (03) years with effect from March 2, 2023.</p> <p><b>Period of Directorship:</b> Director since incorporation. Whole-time Director since March 2, 2023</p>	42	Srivari Supply Chain Private Limited Osian Infra Developers LLP

Name, DIN, Date of Birth, Designation, Address, Occupation, Term and Nationality	Age (years)	Other Directorships
<b>Nationality:</b> Indian		
<b>Uday Kiran Reddy Sama</b>  <b>DIN:</b> 09771391  <b>Date of Birth:</b> May 10, 1994  <b>Designation:</b> Independent Director  <b>Address:</b> 1-3-14/3A, Mekala Narayana Nagar, Near Munner Bridge Saradhi Nagar, Khamman- 507 001, Telangana, India  <b>Occupation:</b> Professional (Chartered Accountant)  <b>Term:</b> For a period of five (5) years with effect from April 7, 2023.  <b>Period of Directorship:</b> Director since October 20, 2022  <b>Nationality:</b> Indian	30	Nil
<b>Rashida Younus Ahmedabadwala</b>  <b>DIN:</b> 09767329  <b>Date of Birth:</b> December 27, 1996  <b>Designation:</b> Independent Director  <b>Address:</b> Flat No 502, 5 <sup>th</sup> Floor, Trident Tower, Manovikas Nagar, RTC Colony, Trimulgherry, Tirumalagiri, Hyderabad – 500 015, Telangana, India.  <b>Occupation:</b> Business  <b>Term:</b> For a period of five (5) years with effect from April 7, 2023  <b>Period of Directorship:</b> Director since October 20, 2022  <b>Nationality:</b> Indian	27	Srivari Supply Chain Private Limited
<b>Venkata Srinivasan Kodakalla</b>  <b>DIN:</b> 10254552  <b>Date of Birth:</b> August 03, 1967  <b>Designation:</b> Additional Director  <b>Address:</b> 11-6-253/C, Rayancha Avenue, Opposite Adarsh Nagar Colony, Peerzadiguda, Ghatkesar, Medipalli, K. V. Rangareddy, Telangana, 500098,	56	Arun Power Projects Limited

Name, DIN, Date of Birth, Designation, Address, Occupation, Term and Nationality	Age (years)	Other Directorships
<p>India.</p> <p><b>Occupation:</b> Business</p> <p><b>Term:</b> For a period of five (05) years with effect from May 28, 2024.</p> <p><b>Period of Directorship:</b> Director since May 28, 2024</p> <p><b>Nationality:</b> Indian</p>		

#### Past Directorships in suspended companies

None of our Directors are, or were a director of any listed company, whose shares have been, or none of our directors were suspended from being traded on any of the stock exchanges during the term of their directorships in such companies during the last 5 (Five) years preceding the date of this Letter of Offer.

#### Past Directorships in delisted companies

None of our Directors are or were a director of any listed company, which has been, or none of our directors were delisted from any stock exchange during the term of their directorship in such Company during the last 10 (Ten) years preceding the date of this Letter of Offer.

### SENIOR MANAGEMENT AND KEY MANAGERIAL PERSONNEL

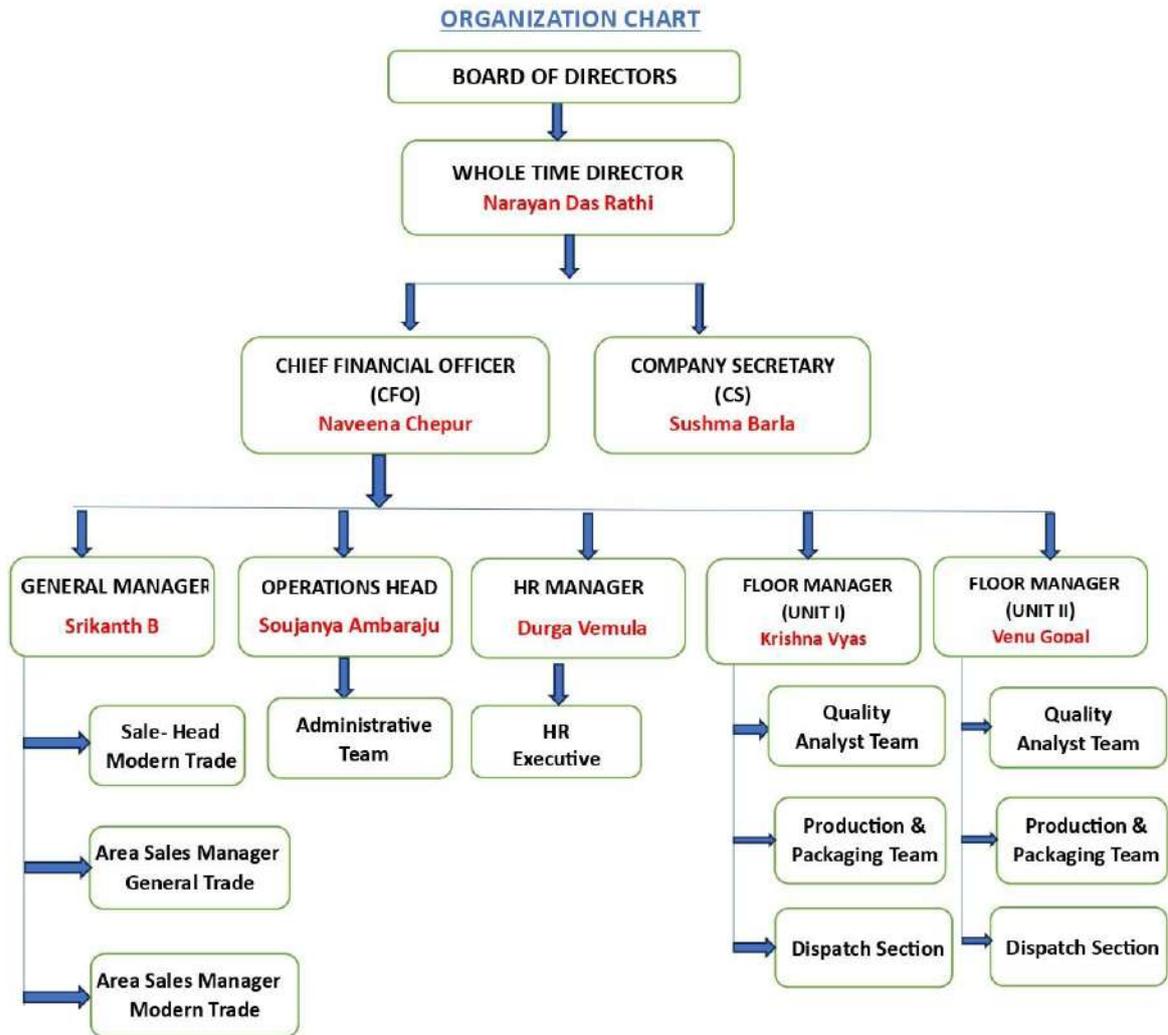
Set forth below are the details of our senior management and key managerial personnel:

Name	Designation	Associated with Company since
Rathi Narayan Das	Whole Time Director	August 19, 2022
Neihaa Rathi	Whole Time Director	Since Incorporation
Naveena Chepur	Chief Financial Officer	January 05, 2023
Sushma Barla	Company Secretary & Compliance Officer	February 05, 2024

*(The remainder of this page is intentionally left blank)*

**ORGANISATIONAL STRUCTURE**

Our company organisational structure as follow:



*(The remainder of this page is intentionally left blank)*

**SECTION V FINANCIAL INFORMATION**

**FINANCIAL STATEMENTS**

<b>Sr No.</b>	<b>Particulars</b>	<b>Page No</b>
2.	Audited Financial Statements as at and for the year ended March 31, 2024	S-1 to S-30

*(The remainder of this page is intentionally left blank)*

## Independent Auditor's Report

**To the Members of Srivari Spices and Foods Limited**  
(Formerly known as Srivari Spices and Foods Private Limited)

### Report on the Audit of the Consolidated Financial Statements

#### Opinion

1. We have audited the accompanying consolidated financial statements of Srivari Spices and Foods Limited (Formerly known as Srivari Spices and Foods Private Limited) ('the Holding Company') and its subsidiary (the Holding Company and its subsidiaries together referred to as 'the Group'), as listed in Annexure 1, which comprise the Consolidated Balance Sheet as at 31 March 2024, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement for the year then ended, and notes to the consolidated financial statements, including a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Accounting Standards specified under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2021 and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at 31 March 2024, and their consolidated profit, and consolidated cash flows for the year ended on that date.

#### Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

#### Key Audit Matter

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### Information other than the Consolidated Financial Statements and Auditor's Report thereon

5. The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the



consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

6. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the Accounting Standards specified under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2021 and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.
7. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
8. Those respective Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group.

#### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

9. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.
10. As part of an audit in accordance with Standards on Auditing specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
  - Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
  - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and
  - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the financial statements, of which we are the independent auditors.
11. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
  12. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

#### **Report on Other Legal and Regulatory Requirements**

13. As required by section 197(16) of the Act based on our audit, we report that the Holding Company, its subsidiaries incorporated in India whose financial statements have been audited under the Act have paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.
14. As required by clause (xxi) of paragraph 3 of Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act based on the consideration of the Order reports issued, of companies included in the consolidated financial statements and covered under the Act we report that there are no qualifications or adverse remarks reported in the respective Order reports of such companies.
15. As required by section 143(3) of the Act based on our audit, we report, to the extent applicable, that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;



- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books;
- c) The consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
- d) in our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2021;
- e) On the basis of the written representations received from the directors of the Holding Company, its subsidiaries and taken on record by the Board of Directors of the Holding Company, none of the directors of the Group companies, are disqualified as on 31 March 2024 from being appointed as a director in terms of section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, and its subsidiaries and the operating effectiveness of such controls, refer to our separate report in 'Annexure A' wherein we have expressed an unmodified opinion; and
- g) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
  - i. There were no pending litigations as at 31 March 2024 which would impact the consolidated financial position of the Group;
  - ii. The Holding Company, its subsidiaries did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2024;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiaries during the year ended 31 March 2024;
  - iv.
    - a. The respective managements of the Holding Company and its subsidiaries incorporated in India respectively that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Holding Company or its subsidiaries, to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company, or any such subsidiaries, ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;
    - b. The respective managements of the Holding Company and its subsidiaries respectively that, to the best of their knowledge and belief, , no funds have been received by the Holding Company or its subsidiaries from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Holding Company, or any such subsidiaries, shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
    - c. Based on such audit procedures performed by us, as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the



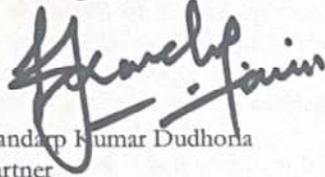
management representations under sub-clauses (a) and (b) above contain any material misstatement.

- v. The Holding Company, its subsidiaries, have not declared or paid any dividend during the year ended 31 March 2024
- vi. Based on our examination which included test checks, the Holding Company, its subsidiaries have used an accounting software for maintaining its books of account, however, due to lack of adequate Information Technology General Controls, we are unable to rely on automated controls related to financial reporting in the accounting software and consequently we are unable to comment on whether the audit trail feature operated throughout the year for all relevant transactions recorded in the software or whether there were any instances of audit trail feature being tampered with.

For **RAO AND SHYAM**

Chartered Accountants

Firm's Registration No.: 006186S



Kandarp Kumar Dudhonia  
Partner

Membership No.: 228416



UDIN: 24228416BKBZJJ8515

Place: Hyderabad

Date: 28 May 2024

consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

6. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the Accounting Standards specified under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2021 and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.
7. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
8. Those respective Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group.

#### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

9. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.
10. As part of an audit in accordance with Standards on Auditing specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
  - Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
  - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and
  - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the financial statements, of which we are the independent auditors.
11. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
  12. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

#### **Report on Other Legal and Regulatory Requirements**

13. As required by section 197(16) of the Act based on our audit, we report that the Holding Company, its subsidiaries incorporated in India whose financial statements have been audited under the Act have paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.
14. As required by clause (xxi) of paragraph 3 of Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act based on the consideration of the Order reports issued, of companies included in the consolidated financial statements and covered under the Act we report that there are no qualifications or adverse remarks reported in the respective Order reports of such companies.
15. As required by section 143(3) of the Act based on our audit, we report, to the extent applicable, that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;



- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books;
- c) The consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
- d) in our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2021;
- e) On the basis of the written representations received from the directors of the Holding Company, its subsidiaries and taken on record by the Board of Directors of the Holding Company, none of the directors of the Group companies, are disqualified as on 31 March 2024 from being appointed as a director in terms of section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, and its subsidiaries and the operating effectiveness of such controls, refer to our separate report in 'Annexure A' wherein we have expressed an unmodified opinion; and
- g) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
  - i. There were no pending litigations as at 31 March 2024 which would impact the consolidated financial position of the Group;
  - ii. The Holding Company, its subsidiaries did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2024;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiaries during the year ended 31 March 2024;
  - iv.
    - a. The respective managements of the Holding Company and its subsidiaries incorporated in India respectively that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Holding Company or its subsidiaries, to or in any person(s) or entity(ies), including foreign entities ("the intermediaries"), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company, or any such subsidiaries, ("the Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;
    - b. The respective managements of the Holding Company and its subsidiaries respectively that, to the best of their knowledge and belief, , no funds have been received by the Holding Company or its subsidiaries from any person(s) or entity(ies), including foreign entities ("the Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company, or any such subsidiaries, shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
    - c. Based on such audit procedures performed by us, as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the



management representations under sub-clauses (a) and (b) above contain any material misstatement.

- v. The Holding Company, its subsidiaries, have not declared or paid any dividend during the year ended 31 March 2024
- vi. Based on our examination which included test checks, the Holding Company, its subsidiaries have used an accounting software for maintaining its books of account, however, due to lack of adequate Information Technology General Controls, we are unable to rely on automated controls related to financial reporting in the accounting software and consequently we are unable to comment on whether the audit trail feature operated throughout the year for all relevant transactions recorded in the software or whether there were any instances of audit trail feature being tampered with.

For **RAO AND SHYAM**  
Chartered Accountants  
Firm's Registration No.: 006186S



Kanchan Kumar Dudhoria  
Partner  
Membership No.: 228416



UDIN: 24228416BKBZJJ8515

Place: Hyderabad  
Date: 28 May 2024

## Annexure A

### **Independent Auditor's Report on the internal financial controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

1. In conjunction with our audit of the consolidated financial statements of Srivari Spices and Foods Limited (Formerly known as Srivari Spices and Foods Private Limited) ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), as at and for the year ended 31 March 2024, we have audited the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies, , which are companies covered under the Act, as at that date.

### **Responsibilities of Management and Those Charged with Governance for Internal Financial Controls**

2. The respective Board of Directors of the Holding Company, its subsidiary companies, which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("framework"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### **Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements**

3. Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the Holding Company, {its subsidiary companies, its associate companies and joint venture companies} as aforesaid.

### **Meaning of Internal Financial Controls with Reference to Financial Statements**

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements



for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

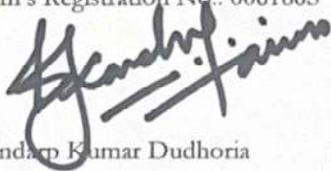
#### **Inherent Limitations of Internal Financial Controls with Reference to Financial Statements**

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

8. In our opinion, the Holding Company, its subsidiary companies, , which are companies covered under the Act, have in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("framework").

For **RAO AND SHYAM**  
Chartered Accountants  
Firm's Registration No.: 006186S



Kandarp Kumar Dudhoria  
Partner  
Membership No.: 228416



UDIN: 24228416BKBZJJ8515

Place: Hyderabad  
Date: 28 May 2024

**Srivari Spices And Foods Limited**

*Formerly known as Srivari Spices And Foods Private Limited*

(All amounts in ₹ lakhs, except share data and where otherwise stated)

**Consolidated Balance Sheet as at 31 March 2024**

Particulars	Note no.	31 March 2024
<b>Equity and Liabilities</b>		
<b>Shareholder's Funds</b>		
Share capital	5	714.20
Reserves and Surplus	6	1,684.54
		<u>2,398.74</u>
Minority interest		0.00
<b>Non-Current Liabilities</b>		
Long-term borrowings	7	470.41
Long-term provisions	9	0.77
		<u>471.18</u>
<b>Current Liabilities</b>		
Short-term borrowings	8	1,456.29
Trade payables	11	
- Total outstanding dues of micro enterprises and small enterprises		351.86
- Total outstanding dues of creditors other than micro enterprises and small enterprises		449.67
Other current liabilities	12	57.20
Short-term provisions	10	301.02
		<u>2,616.05</u>
<b>TOTAL</b>		<u><u>5,485.97</u></u>
<b>ASSETS</b>		
<b>Non-current assets</b>		
<b>Property, Plant and Equipment</b>		
- Tangible assets	13	579.80
- Intangible assets	14	0.15
Deferred tax assets (net)	15	4.76
Other non-current assets	16	19.01
		<u>603.71</u>
<b>Current assets</b>		
Inventories	18	2,944.31
Trade receivables	19	1,842.07
Cash and cash equivalents	20	16.99
Short-term loans and advances	21	70.22
Other current assets	17	8.67
		<u>4,882.26</u>
<b>TOTAL</b>		<u><u>5,485.97</u></u>

The accompanying notes form an integral part of the consolidated financial statements.  
This is the Consolidated Balance Sheet referred to in our report of even date.

For **RAO & SHYAM**

Chartered Accountants

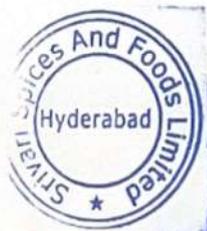
Firm Registration No: 096186S

*Kandarp Kumar Dudhoria*

Kandarp Kumar Dudhoria

Partner

Membership No. 228416



For and on behalf of the Board of Directors

**Srivari Spices And Foods Limited**

*Formerly known as Srivari Spices And Foods Private Limited*

*Neelhaa Bathi*

Neelhaa Bathi

Director

DIN:05274847

*C. Naveena*

Naveena Chepur

Chief Financial Officer

Place: Hyderabad

Date: 28 May 2024

*Narayan Day Rath*

Narayan Day Rath

Director

DIN:09065949

*Barla Sushma*

Barla Sushma

Company Secretary

M.No. A51275

Place: Hyderabad

Date: 28 May 2024

**UDIN - 24228416BKBZJJ8515**

Place: Hyderabad

Date: 28 May 2024

**Srivari Spices And Foods Limited**

Formerly known as Srivari Spices And Foods Private Limited

(All amounts in ₹ lakhs, except share data and where otherwise stated)

**Consolidated Statement of Profit and loss for the year ended 31 March 2024**

	Note No.	31 March 2024
Revenue from operations	22	7,828.33
Other income		0.20
<b>Total revenue</b>		<b>7,828.53</b>
<b>Expenses</b>		
Cost of material consumed	23	6,327.15
Changes in inventories of work-in-progress and finished goods	24	(549.36)
Employee benefits expense	25	343.23
Finance costs	26	189.96
Depreciation and amortisation expense	13 & 14	84.70
Other expenses	27	429.65
<b>Total expenses</b>		<b>6,825.33</b>
<b>Profit before tax</b>		<b>1,003.20</b>
<b>Tax expense:</b>		
Current tax expense		301.02
Deferred tax		(1.21)
Taxes of earlier years		-
		<b>299.81</b>
<b>Profit after tax and before minority interest</b>		<b>703.39</b>
<b>Profit attributable to:</b>		
Minority interest		-
Equity holders of the parent		703.39
		<b>703.39</b>
<b>Earnings per share:</b>		
Basic and Diluted		11.19
Nominal value per equity share		10.00
Weighted average number of equity shares		6,287,541

The accompanying notes form an integral part of the consolidated financial statements.  
This is the Consolidated Statement of Profit and Loss referred to in our report of even date.

For **RAO & SHYAM**

Chartered Accountants

Firm Registration No: 0061865

*Kandarp Jain*

Kandarp Kumar Dudhoria

Partner

Membership No. 228416



For and on behalf of the Board of Directors

**Srivari Spices And Foods Limited**

Formerly known as Srivari Spices And Foods Private Limited

*Neihaa Rathi*

Neihaa Rathi

Director

DIN:05274847

*Narayan Das Rathi*

Narayan Das Rathi

Director

DIN:09065949

*Naveena*

Naveena Chepur

Chief Financial Officer

*Barla Sushma*

Barla Sushma

Company Secretary

M.No. A51275

**UDIN - 24228416 B KBZJJ8515**

Place: Hyderabad

Date: 28 May 2024

Place: Hyderabad

Date: 28 May 2024

Place: Hyderabad

Date: 28 May 2024

**Srivari Spices And Foods Limited**

Formerly known as Srivari Spices And Foods Private Limited

(All amounts in ₹ lakhs, except share data and where otherwise stated)

**Consolidated Cash Flow Statement for the year ended 31 March 2024**

	31 March 2024
<b>Cash flow from operating activities</b>	
Profit before tax and minority interest	1,003.20
<b>Adjustments to reconcile profit before tax to net cash flows:</b>	
Depreciation and amortisation expense	84.70
Provision for doubtful debts	6.58
Interest expense	174.92
<b>Operating Profit before working capital changes</b>	<b>1,269.41</b>
<b>Adjustments for:</b>	
Increase in trade payables and other liabilities	588.34
Increase in inventories	(2,110.75)
Increase in provisions	0.41
Increase in trade and other receivables	(702.62)
<b>Working capital adjustments</b>	<b>(2,224.62)</b>
<b>Cash used in operations</b>	<b>(955.21)</b>
Income tax paid (including tax deducted at source) (net)	(100.47)
<b>Net cash used in operating activities</b>	<b>A (1,055.68)</b>
<b>Cash flow from investing activities</b>	
Purchase of tangible and intangible assets	(178.84)
Investment in subsidiary	-
<b>Net cash used in investing activities</b>	<b>B (178.84)</b>
<b>Cash flow from financing activities</b>	
Proceeds from issue of equity shares (net of issue expenses)	781.58
Changes in current borrowings (net)	501.08
Proceeds from non current borrowings	299.35
Repayment of non current borrowings	(156.89)
Interest paid	(174.92)
<b>Net cash flow from financing activities</b>	<b>C 1,250.21</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(A+B+C) 15.69</b>
Cash and cash equivalents at the beginning of the year	1.30
<b>Cash and cash equivalents at the end of the year (refer note below)</b>	<b>16.99</b>

**Notes:****1. Reconciliation of Cash and cash Equivalents**

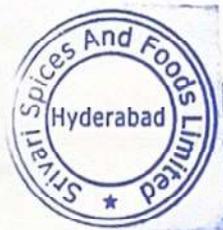
	31 March 2024
<b>Component of cash and cash equivalents</b>	
Cash on hand	0.97
Balance with banks with current accounts	6.02
In fixed deposits	10.00
	<b>16.99</b>

1. Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, financing and investing activities of the company are segregated.

For **RAO & SHYAM**  
Chartered Accountants  
Firm Registration No: 006186S

*Kandarp Kumar Dudhoria*  
Kandarp Kumar Dudhoria  
Partner

Membership No. 228416



For and on behalf of the Board of Directors  
**Srivari Spices And Foods Limited**  
Formerly known as Srivari Spices And Foods Private Limited

*Neihaa Rathi*  
Neihaa Rathi  
Director  
DIN:05274847

*C. Naveena*  
Naveena Chepur  
Chief Financial Officer

Place: Hyderabad  
Date: 28 May 2024

*Narayan Das Rathi*  
Narayan Das Rathi  
Director  
DIN:09065949

*Barla Sushma*  
Barla Sushma  
Company Secretary  
M.No. A51275

Place: Hyderabad  
Date: 28 May 2024

**UDIN-24228416BKBZJJ8515**

Place: Hyderabad  
Date: 28 May 2024

## Srivari Spices And Foods Limited

Formerly known as Srivari Spices And Foods Private Limited

(All amounts in ₹ lakhs, except share data and where otherwise stated)

### Summary Statement Of Significant Accounting Policies & Notes To Financial Statement

#### 1. Company Overview

Srivari Spices And Foods Limited (Formerly known as Srivari Spices And Foods Private Limited (the company)) is a limited company domiciled in India and incorporated under the provisions of the Companies Act, 2013 on 29 January 2019. Its shares are listed on SME - Emerge stock exchanges in India effective 18 August 2023. The Company is mainly engaged in the business of selling food and food related products. The Company carries on its business in domestic markets only. The following is the brief description of the subsidiaries:

a) Srivari Supply Chain Private Limited - (wholly owned subsidiary of the parent) is engaged in the business of supply and logistic management services.

#### 2. Basis of preparation of consolidated financial statements

a) The consolidated financial statements have been prepared in accordance with the accounting standards notified pursuant to the Companies (Accounting Standards) Rules, 2006 (as amended) ("the Rules") which are deemed to be applicable as per section 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) and other recognized accounting practices and policies generally accepted in India including the requirements of the Act ("Indian GAAP"). The consolidated financial statements have been prepared on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year. The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible in the same manner as the Company's separate financial statements.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Act. Based on the nature of work and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as up to twelve months for the purpose of current and non-current classification of assets and liabilities.

#### b) Principles of consolidation

Investment in subsidiaries in the consolidated financial statements are accounted in accordance with accounting principles as defined in the Accounting Standard 21 "Consolidated Financial Statements", notified under section 133 of the Companies Act, 2013, read together with Rule 7 of the Companies (Accounts) Rules 2014. The consolidated financial statements are prepared on the following basis:

i. Subsidiary companies have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and the unrealised profits.

ii. The excess of the cost to the Company of its investments in each of the subsidiary over its share of equity in the respective subsidiary, on the acquisition date, is recognised in the consolidated financial statements as "Goodwill on consolidation" and assessed for impairment at each reporting date. The excess of the Company's equity share over the cost of the investment in the subsidiary, on the acquisition date, is recognised in the financial statements as "Capital reserve on consolidation".

iii. Minorities' interest in net profits of consolidated subsidiaries for the year is identified and adjusted against the income in order to arrive at the net income attributable to shareholders of the Company. Their share of net assets is identified and presented in the consolidated balance sheet separately. Where accumulated losses attributable to the minorities are in excess of their equity in the absence of the contractual obligation on the minorities, the same is accounted for by the Company.

iv. As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Company's stand-alone financial statements.

v. The financial statements of the entities used for the purpose of consolidation are drawn up to the same reporting date of the Company i.e., year ended 31 March 2024.

vi. As per Accounting Standard 21, only those notes which are material need to be disclosed. Materiality for this purpose is assessed in relation to the information contained in the consolidated financial statements. Further, additional statutory information disclosed in separate financial statements of the subsidiary and/or a parent having no bearing on the true and fair view of the consolidated financial statements are not disclosed in the consolidated financial statements.

The consolidated financial statements as at and for the year ended 31 March 2024 include the financial statements of the following entities:

Name of the consolidated entity	Country of incorporation	Nature of interest	% of interest
Srivari Supply Chain Private Limited	India	Subsidiary	100.00

#### 3. Use of estimates

The preparation of consolidated financial statements in conformity with Indian GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting periods. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from those estimates. Examples of such estimates include provisions for future obligations under employee retirement benefit plans, current taxes, recognition of deferred tax assets, assessment of fair value of consideration attributable to the unexpired portion of service and useful lives of property, plant and equipment.

#### 4. Summary of significant accounting policies

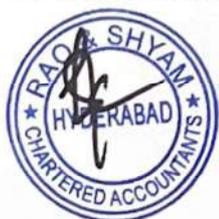
The following significant accounting policies are adopted in the preparation and presentation of these financial statements:

##### a. Tangible assets

Tangible assets are stated at cost, less accumulated depreciation and impairment losses, if any. Direct costs are capitalized until property, plant and equipment are ready for use. The cost and the accumulated depreciation for property, plant and equipment sold, retired or otherwise disposed off are removed from the stated values and the resulting gains or losses, as the case may be are included in the Statement of Profit and Loss.

##### b. Intangible assets

Intangible assets are stated at their cost of acquisition, less accumulated amortization and impairment losses, if any. An intangible asset is recognized, where it is probable that future economic benefits attributable to the asset will flow to the enterprise and where its cost can be reliably measured.



## Strivari Spices And Foods Limited

Formerly known as Strivari Spices And Foods Private Limited

(All amounts in ₹ lakhs, except share data and where otherwise stated)

### Summary Statement Of Significant Accounting Policies & Notes To Financial Statement

#### c. Depreciation and Amortization

##### *Tangible assets*

Depreciation on property, plant and equipment is calculated on written down value basis as per useful life of asset prescribed under Schedule II of the Companies Act 2013.

##### *Intangible Assets*

In respect of Intangible asset, the Company has estimated the useful life of the asset assumed to be 4 years.

##### *Goodwill*

Goodwill represents the excess of purchase consideration over the net book value of assets acquired is evaluated periodically for impairment and impairment losses as recognized where applicable.

#### d. Impairment

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

#### e. Investments

Investments that are readily realizable and intended to be held for not more than a year from the date on which such investment are made are classified as current investments.

All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of such investments.

#### f. Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

##### *Sale of Goods:-*

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. The Company collects taxes on behalf of the government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue.

##### *Interest Income:-*

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

#### g. Inventories

Inventories are valued at lower of cost and net realizable value, after providing for obsolesces, if any. Costs include purchase price and other direct expenses incurred to bring inventories to its present condition and location. Cost of stores & consumables are computed on FIFO basis and cost of raw materials and finished goods are computed on Weighted average basis. Cost of Work in Progress and Finished Goods includes direct materials, labour, conversion and proportion of manufacturing overheads incurred in bringing the inventories to their present location and condition. The by-products are valued at net realizable value.

#### h. Foreign currency transactions

##### *Initial recognition*

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

##### *Conversion*

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

##### *Exchange differences*

Exchange differences arising on the settlement of monetary items or on the reporting of monetary items at rates different from those at which they were initially recorded during the year, or reported in previous consolidated financial statements, are recognized as income or as expense in the year in which they arise.



## Shrvari Spices And Foods Limited

Formerly known as Shrvari Spices And Foods Private Limited

(All amounts in ₹ lakhs, except share data and where otherwise stated)

### Summary Statement Of Significant Accounting Policies & Notes To Financial Statement

#### j. Employee benefits

##### *Provident fund*

Retirement benefit in the form of a provident fund is a defined contribution scheme and the contributions are charged to the Statement of Profit and Loss of the period when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective authorities.

##### *Gratuity*

Gratuity is a post-employment defined benefit obligation. The liability recognized in the balance sheet represents the present value of the defined benefit obligation at the balance sheet date, together with adjustments for past service costs. Independent actuary using the projected unit credit method calculates the defined benefit obligation annually.

Actuarial gains or losses arising from experience adjustments and changes in actuarial assumptions are credited or charged to the Statement of Profit and Loss in the year in which such gains or losses arise.

##### *Compensated absences*

Liability in respect of leave becoming due or expected to be availed within one year from the Balance Sheet date is recognised on the basis of estimated amount required to be paid or estimated value of benefit expected to be availed by the employees. Liability in respect of earned leave becoming due or expected to be availed more than one year after the Balance Sheet date is estimated on the basis of actuarial valuation by an independent actuary using the projected unit credit method.

#### k. Borrowings Cost

Borrowing costs directly attributable to acquisition, construction or production of asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as a part of cost of the respective asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consists of interest and other costs that an entity incurs in connection with the borrowing of funds.

#### l. Operating leases

Leases where the lessor effectively retains substantially all the risks and rewards incidental to the ownership are classified as operating leases. Lease rents in respect of non-cancelable operating leases are recognized in the Statement of Profit and Loss on straight line basis.

#### m. Earnings/(loss) per equity share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

#### o. Taxes on income

##### *Current tax*

Tax on income for the current period is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income-tax Act, 1961.

##### *Deferred tax*

Deferred tax charges or credits reflect the tax effect of timing differences between accounting income and taxable income for the period. The deferred tax charges or credits and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in the future periods, however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only if there is a virtual certainty of realization of such assets. Deferred tax assets are reviewed at each balance sheet date and written down or written up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realized.

##### *Minimum Alternate Tax*

Minimum alternate tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of MAT under the Income-tax Act, 1961, the said asset is created by way of credit to the Statement of Profit and Loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT Credit Entitlement" asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the specified period.

#### p. Provisions and contingent liabilities

Provision is recognized when the Company has a present obligation as a result of a past event and when it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on management's best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates. A disclosure of a contingent liability is made when there is a possible or a present obligation that may, but probably will not, require an outflow of resources.

#### q. Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term investments, with original maturity of less than or equal to three months.



**Srivari Spices And Foods Limited***Formerly known as Srivari Spices And Foods Private Limited***Summary of significant accounting policies and other explanatory information**

(All amounts in ₹ lakhs, except share data and where otherwise stated)

**5. Equity Share Capital****(a) Authorised**

7,500,000 Equity shares of ₹10 each

**(b) Issued**

7,142,000 Equity shares of ₹10 each

**(c) Subscribed and fully paid up**

7,142,000 Equity shares of ₹10 each

**31 March 2024**

750.00

**750.00**

714.20

**714.20**

714.20

**714.20****(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period**

Number of shares outstanding at the beginning of the period

Add: Allotment of equity shares

Number of shares outstanding at the end of the period

**31 March 2024**

5,000,000

2,142,000

**7,142,000****(ii) Details of shareholders holding more than 5% shares in the Company**

Neelhaa Rathi

Narayan Das Rathi

Avneesh Kumar Rana

**31 March 2024**

Number of Shares	% of of holdings
2,458,750	34.43%
2,536,250	35.51%
367,000	5.14%

**(iii) Details of shares held by promoters in the Company****Movement of Promoter share holding for the period ended 31 March 2024**

Neelhaa Rathi

Narayan Das Rathi

**31 March 2024****Number of Shares**

2,458,750

**2,536,250****(iv) Rights and restriction attached to equity shares**

The Company has only one class of equity shares having a face value of ₹10 each. Each shareholder is eligible for one vote per share held. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing general meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholdings.

**(v) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date :**

The Company has not issued any bonus shares, shares for consideration other than cash or bought back any shares during five years immediately preceding the reporting date.

**(vi) Equity shares reserved for issue under employee stock options and share appreciation rights: Nil****6. Reserves and Surplus****Surplus in Profit and Loss account**

Balance at the beginning of the year

Add: Profit/(loss) for the year

Balance at the end of the year

**31 March 2024**

413.77

703.39

**1,117.16****Securities Premium**

Balance at the beginning of the year

Add: received during the year

Less: issue expenses

Balance as at the end of the year

-

685.80

(118.42)

**567.38****1,684.54****Total**

**Srivari Spices And Foods Limited***Formerly known as Srivari Spices And Foods Private Limited***Summary of significant accounting policies and other explanatory information**

(All amounts in ₹ lakhs, except share data and where otherwise stated)

**7. Long-Term Borrowings**

	31 March 2024
<b>Non-current</b>	
Term loans from bank (secured)	254.56
Term loan from others (unsecured)	252.97
Term loans from bank (unsecured)	97.05
Loans from banks (Secured)	-
Loans from banks (unsecured)	-
Loans from others (unsecured)	73.31
Interest free loans from related parties (unsecured)	30.98
Less: Amount disclosed under the head current borrowings	238.46
	<b>470.41</b>

**Terms and conditions of borrowings**

Term loans from bank includes secured loan taken from HDFC Bank (Term Loan 1) carrying floating interest Reference rate + spread currently @ 16.30%. The bank has sanctioned ₹1.50 Crores and the loans were disbursed in Sep 2021 and July 2022 amounting to ₹1.18 crores and ₹0.27 Crores Respectively. The loan is repayable in 60 equal monthly instalments starting from October 2021. The loan is secured by exclusive charge on the stock-in-trade, book debts and receivables, plant and machinery and fixed deposits of the Company. The Loan is personally guaranteed by the director of the Company.

Term loans from bank includes secured loan from HDFC Bank (Term Loan 2) carrying floating interest Reference rate + spread currently @ 16.30%. The bank has sanctioned ₹1.85 Crores was disbursed in July 2022. The loan is repayable in 60 equal monthly instalments starting from August 2022. The loan is secured by exclusive charge on the land, stock-in-trade, book debts and receivables, plant and machinery and fixed deposits of the Company. The Loan is personally guaranteed by the director of the Company.

Term Loans from others includes unsecured loan taken from Aditya Birla Finance Limited amounting to ₹30 Lacs carrying interest @18%. The loan is repayable in 36 equal monthly instalments starting from December 2022.

Term Loans from others includes unsecured loan taken from Aditya Birla Finance Limited amounting to ₹50 Lacs carrying interest @16.50%. The loan is repayable in 36 equal monthly instalments starting from May 2024.

Term Loans from others includes unsecured loan taken from Ambit Fininvest Private Limited amounting to ₹15 Lacs carrying interest @24%. The loan is repayable in 36 equal monthly instalments starting from June 2023.

Term Loans from Bank includes unsecured loan taken from Andhra Pradesh Mahesh Co-operative Urban Bank Limited amounting to ₹10 Lacs carrying interest @9%. The loan is repayable in 36 equal monthly instalments starting from April 2023.

Term Loan from others includes unsecured loan taken from Ashv Finance Limited amounting to ₹25.00 Lacs carrying interest @19.00%. The loan is repayable in 36 equal monthly instalments starting from January 2023.

Term Loan from others includes unsecured loan taken from Bajaj Finance Limited amounting to ₹31.45 Lacs carrying interest @18.00%. The loan is repayable in 36 equal monthly instalments starting from November 2022.

Term Loan from others includes unsecured loan taken from Cholamandlam Investment and Finance Company Limited amounting to ₹25.17 Lacs carrying interest @18.00%. The loan is repayable in 36 equal monthly instalments starting from April 2024.

Term Loan from others includes unsecured loan taken from Fedbank Financial Services Limited amounting to ₹30.35 Lacs carrying interest @18.00%. The loan is repayable in 36 equal monthly instalments starting from December 2022.

Loan from others includes secured loan taken from Cholamandlam Investment and Finance Company Limited amounting to ₹8.15 Lacs for Vehicle carries interest rate @12.09%. The loan is repayable in 48 equal monthly instalments starting April 2024. The loan is secured by exclusive charge on the Vehicles purchased by the Company.

Loan from others includes secured loan taken from Cholamandlam Investment and Finance Company Limited amounting to approx ₹27 Lacs for Commerical Vehicle carries interest rate @18%. The loan is repayable in 36 equal monthly instalments starting April 2024. The loan is secured by exclusive charge on the Vehicles purchased by the Company.

Term Loan from others includes unsecured loan taken from Fedbank Financial Services Limited amounting to ₹30.35 Lacs carrying interest @18.00%. The loan is repayable in 36 equal monthly instalments starting from December 2022.

Term Loan from others includes unsecured loan taken from Hero Fincorp Limited amounting to ₹25.50 Lacs carrying interest @18.50%. The loan is repayable in 36 equal monthly instalments starting from December 2022.

Loan from bank includes secured loan taken from IDFC FIRST Bank Limited amounting to ₹34.00 Lacs for Vehicle carries interest rate @16%. The loan is repayable in 48 equal monthly instalments starting May 2024. The loan is secured by exclusive charge on the Vehicles purchased by the Company.

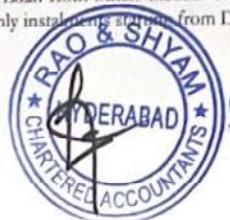
Term Loan from others includes unsecured loan taken from Kisetsu Saison Finance (India) Private Limited amounting to ₹15.30 Lacs carrying interest @19.50%. The loan is repayable in 36 equal monthly instalments starting from December 2022.

Term Loan from others includes unsecured loan taken from Kisetsu Saison Finance (India) Private Limited amounting to ₹50.00 Lacs carrying interest @18%. The loan is repayable in 36 equal monthly instalments starting from May 2024.

Loan from others includes unsecured loan taken from NeoGrowth Credit Private Limited amounting to ₹20.00 Lacs carrying interest @24.75%. The loan is repayable in 24 equal monthly instalments starting from May 2023.

Term Loan from others includes unsecured loan taken from Poonawalla Fincorp Limited amounting to ₹25.44 Lacs carrying interest @17.00%. The loan is repayable in 36 equal monthly instalments starting from December 2022.

Term Loan from others includes unsecured loan taken from UGRO Capital Limited amounting to ₹15.27 Lacs carrying interest @19.50%. The loan is repayable in 36 equal monthly instalments starting from December 2022.



**Srivari Spices And Foods Limited***Formerly known as Srivari Spices And Foods Private Limited***Summary of significant accounting policies and other explanatory information**

(All amounts in ₹ lakhs, except share data and where otherwise stated)

Loan from others includes secured loan taken from UGRO Capital Limited amounting to ₹40 Lacs for Vehicle carries interest rate @20.15%. The loan is repayable in 36 equal monthly instalments starting December 2023. The loan is secured by exclusive charge on the Vehicles purchased by the Company.

Loan from bank includes unsecured loan taken from HDFC Bank Limited amounting to ₹14 Lacs carrying interest @16.00%. The loan is repayable in 36 equal monthly instalments starting from December 2022.

Loan from bank includes unsecured loan taken from Yes bank amounting to ₹25 Lacs carrying interest @17.75%. The loan is repayable in 36 equal monthly instalments starting from December 2022.

Loan from bank includes unsecured loan taken from Axis Bank Limited amounting to ₹30 Lacs carrying interest @17.00%. The loan is repayable in 36 equal monthly instalments starting from November 2022.

Loan from others includes unsecured loan taken from Clis Capital Services Private Limited amounting to ₹30.13 Lacs carrying interest @19.50%. The loan is repayable in 24 equal monthly instalments starting from December 2022.

**8. Short-Term Borrowings**

Cash credit from bank (Secured)

Current maturities of long term borrowings (refer note 7 above)

**31 March 2024**

1,217.83

238.46

**1,456.29**

Cash credit with bank carrying floating interest Reference rate + spread currently @ 16.30%. The bank has sanctioned ₹200 Crores limit and the loans were disbursed in September 2021. The loan is secured by exclusive charge on the stock-in-trade, book debts and receivables, plant and machinery and fixed deposits of the Company. The Loan is personally guaranteed by the director of the Company. The Limit was revised in May 2022 to ₹2.5 Crores and further revised to ₹5.00 Crores effective 11 November 2022 and due for renewal on 15 August 2023.

**9. Long-term provisions**

Provision for gratuity (refer note 34)

**31 March 2024**

0.77

**0.77****10. Short-term provisions**

Income tax liabilities

Provision for gratuity (refer note 34)

**31 March 2024**

301.02

0.00

**301.02****11. Trade Payables**

Total outstanding dues of micro enterprises and small enterprises

Total outstanding dues of creditors other than micro enterprises and small enterprises

**31 March 2024**

351.86

449.67

**801.53**

Note: The Company has not accounted for interest provisions as per MSME Act, 2006 as the company has made payments to MSME Vendors within contractual period which is exceeding the contractual time-limit as per MSME Act, 2006 and the amount payable to them are agreed between the company and the vendors considering the contractual credit period and hence, no interest is payable.

**(a) Disclosure as required by Micro, Small and Medium Enterprises Development Act, 2006**

A. (i) Principal amount remaining unpaid

**31 March 2024**

351.86

(ii) Interest amount remaining unpaid

B. Interest paid by the Group in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day

C. Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006

D. Interest accrued and remaining unpaid

E. Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises

Note: Identification of micro and small enterprises is basis intimation received from vendors



**Srivari Spices And Foods Limited***Formerly known as Srivari Spices And Foods Private Limited***Summary of significant accounting policies and other explanatory information**

(All amounts in ₹ lakhs, except share data and where otherwise stated)

**Ageing for trade payables from the due date of payment for each of the category is as at 31 March 2024 as follows:**

	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 Year	1-2 years	2-3 Years	More than 3 years	
<b>a. Undisputed Dues</b>						
- MSME	-	351.86	-	-	351.86	
- Others	-	449.47	0.20	-	449.67	
<b>a. Disputed Dues</b>						
- MSME	-	-	-	-	-	
- Others	-	-	-	-	-	
	-	<b>801.33</b>	<b>0.20</b>	-	<b>801.53</b>	

**12. Other Current Liabilities**

	<u>31 March 2024</u>
Statutory dues	33.82
Employees payables	12.86
Advance from customers	4.59
Other payables	5.93
	<u><b>57.20</b></u>



**Strivari Spices And Foods Limited**

*Formerly known as Strivari Spices And Foods Private Limited*

**Summary of significant accounting policies and other explanatory information**

(All amounts in ₹ lakhs, except share data and where otherwise stated)

**13. Tangible assets**

**For the year ended 31 March 2024**

Particulars	Gross Block		Depreciation		Net Block		
	As on 1 April 2023	Additions / (Deletions)	As on 31 March 2024	Upto 1 April 2023	During the year	Upto 31 March 2024	As on 31 March 2024
Land	87.48	-	87.48	-	-	-	87.48
Computers And Data Processing Units	6.50	5.19	11.69	2.81	3	5.81	5.88
Electrical Installations And Equipment	14.91	-	14.91	7.26	2	9.24	5.67
Factory Building & Shed	75.30	-	75.30	16.86	6	22.42	52.89
Lab Equipment	4.11	-	4.11	2.45	0	2.88	1.23
Furniture & Fixtures	10.88	3.97	14.85	0.70	4	4.24	10.61
Plant And Machinery	434.83	60.20	495.03	129.33	59	188.18	306.85
Office Equipment	1.06	0.77	1.83	0.01	1	0.83	1.00
Vehicles	11.72	108.72	120.45	1.78	10	12.26	108.19
<b>Total</b>	<b>646.80</b>	<b>178.85</b>	<b>825.65</b>	<b>161.20</b>	<b>84.65</b>	<b>245.85</b>	<b>579.80</b>
<b>14. Intangible assets</b>							
Barcode Registration	0.51	-	0.51	0.31	0	0.36	0.15
<b>Total</b>	<b>0.51</b>	<b>-</b>	<b>0.51</b>	<b>0.31</b>	<b>0.05</b>	<b>0.36</b>	<b>0.15</b>



**Srivari Spices And Foods Limited**

Formerly known as *Srivari Spices And Foods Private Limited*

**Summary of significant accounting policies and other explanatory information**

(All amounts in ₹ lakhs, except share data and where otherwise stated)

<b>15. Deferred tax assets (net)</b>		<b>31 March 2024</b>
· <b>Deferred tax:</b>		
Deferred tax relates to the following:		
<b>Opening DTA/(DTL)</b>		<u>3.55</u>
On Account of property, plant and equipment		3.55
<b>Closing DTA/(DTL)</b>		<u>4.76</u>
On Account of property, plant and equipment		4.76
Effect to Statement and Profit and loss account - Deferred tax expense //(deferred tax income)		<u>(1.21)</u>
<b>16. Non-current assets</b>		<b>31 March 2024</b>
<b>Unsecured, Considered Good</b>		
Deposits		<u>19.01</u>
		<u>19.01</u>
<b>17. Current assets</b>		<b>31 March 2024</b>
<b>Unsecured, Considered Good</b>		
Deposits		-
Other assets		<u>8.67</u>
		<u>8.67</u>
<b>18. Inventories</b>		<b>31 March 2024</b>
Raw material (at cost)		<u>2,103.22</u>
Finished goods (Lower of cost or net realisable value)		<u>841.09</u>
		<u>2,944.31</u>
<b>19. Trade receivables</b>		<b>31 March 2024</b>
<b>Considered good</b>		
Unsecured		1,842.07
<b>Considered doubtful</b>		
Unsecured		6.58
Less: Allowance for Doubtful Debts		<u>(6.58)</u>
		<u>1,842.07</u>

Ageing for trade receivables from the due date of payment for each of the category is as at 31 March 2024 as follows

	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 months -1 year	1-2 years	2-3 Years	More than 3 years	
<b>a. Undisputed Trade Receivables</b>							
- Considered Good	-	1,717.41	103.87	15.89	4.89	-	1,842.07
- Considered Doubtful	-	6.58	-	-	-	-	6.58
<b>a. Disputed Trade Receivables</b>							
- Considered Good	-	-	-	-	-	-	-
- Considered Doubtful	-	-	-	-	-	-	-
	-	1,723.99	103.87	15.89	4.89	-	1,848.65



**Srivari Spices And Foods Limited**

*Formerly known as Srivari Spices And Foods Private Limited*

**Summary of significant accounting policies and other explanatory information**

(All amounts in ₹ lakhs, except share data and where otherwise stated)

**20. Cash and Cash Equivalents**

**Balances with Banks**

- in current account

Cash on hand

**Other bank balances**

Deposits with original maturity of more than 3 months but less than 12 months

<u>31 March 2024</u>	
	6.02
	0.97
	10.00
	<u>16.99</u>

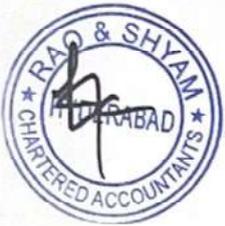
**21. Short-term loans and advances**

**Unsecured, Considered Good**

Balances with statutory authorities

Advances receivable in cash or kind or value to be received

<u>31 March 2024</u>	
	65.00
	5.22
	<u>70.22</u>



**Srivari Spices And Foods Limited***Formerly known as Srivari Spices And Foods Private Limited***Summary of significant accounting policies and other explanatory information**

(All amounts in ₹ lakhs, except share data and where otherwise stated)

**22. Revenue from sale of products**

Sale of products

**31 March 2024**

7,828.33

**7,828.33****23. Cost of material consumed**

Opening stock of raw material

Add: Purchase of raw material

Less: Closing stock

**Cost of material consumed****31 March 2024**

541.82

7,888.54

2,103.22

**6,327.15****24. Changes in inventories of work-in-progress and finished goods****Changes in finished goods**

Opening stock

Less: Closing stock

(Increase)/decrease

**31 March 2024**

291.73

841.09

**(549.36)****25. Employee benefits expense**

Salaries, wages and bonus

Contribution to provident fund and others

Staff welfare expenses

Gratuity expenses

**31 March 2024**

340.49

2.04

0.28

0.41

**343.23****26. Finance Costs****Interest and bank charges**

Interest on term loan and bank overdraft

Loan processing fees

Bank and other finance charges

Interest on income tax

**31 March 2024**

168.05

6.87

1.06

13.98

**189.96****27. Other Expenses**

Advertisement expenses

Business promotion expenses

Power and fuel

Rates and taxes

Travelling expenses

Software and subscription

Fabrication expenses

Provision for bad and doubtful debts

Office expenses

Rent expenses

Printing and stationery

Legal and professional expenses

- Statutory audit fees

- Others

Insurance

Miscellaneous Expenses

Repairs and maintenance-others

**31 March 2024**

31.07

154.98

36.29

25.50

13.34

6.37

8.69

6.58

8.73

37.08

0.59

58.08

5.71

8.08

13.64

14.89

**429.65****Notes:**

1. Payment to auditors include:

Audit fees

Tax audit fees

For other services (includes certifications, etc.)

Reimbursement of expenses

5.71

**5.71**

**Srivari Spices And Foods Limited**

*Formerly known as Srivari Spices And Foods Private Limited*

**Summary of significant accounting policies and other explanatory information**

(All amounts in ₹ lakhs, except share data and where otherwise stated)

**28. Contingent liabilities, commitments and other litigations (to the extent not provided for)**

There are no contingent liabilities, commitments and other litigations not provided for by the Company as at 31 March 2024.

**29. Summary of net assets and profit and loss**

Name of the entity	31 March 2024			
	As % of consolidated net asset	Net asset	As % of consolidated profit/(loss)	Net profit/(loss)
Parent	99.95%	2,398	100.06%	703.40
Subsidiary incorporated in India	0.04%	0.99	0.00%	-0.01
Minority Interest	0.00%	-	0.00%	-
	<b>100.00%</b>	<b>2,399</b>	<b>100.00%</b>	<b>703</b>



**Srivari Spices And Foods Limited**

Formerly known as *Srivari Spices And Foods Private Limited*

**Summary of significant accounting policies and other explanatory information**

(All amounts in ₹ lakhs, except share data and where otherwise stated)

**30. Related party disclosures**

Information on related party transactions as required by Ind AS 24 - Related Party Disclosures are given below:

**A. Name of the related parties and nature of relationship**

Name of the parties	Nature of relationship
Narayan Das Rathi	Key Managerial Personnel
Ranjana Ranawat	
Neihaa Rath	
Srivari Supply Chain Private Limited	Subsidiary
Naveena Chepur	Chief Finance Officer
Aradhna & Sushma	Company Secretary

**B. Transactions with related parties**

31 March 2024

<b>Remuneration</b>	
Narayan Das Rathi	24.00
Neihaa Rath	18.00
Naveena Chepur	1.18
Aradhna & Sushma	5.42
<b>Investment in Subsidiary Company</b>	
Srivari Supply Chain Private Limited	-
<b>Loan Given to Subsidiary Company</b>	
Srivari Supply Chain Private Limited	-
<b>Loan taken from director</b>	
Neihaa Rath	30.98
<b>Sitting Fees</b>	
Uday Kiran Reddy Sama	0.85
Rashida Younus Ahmedabadwala	0.85
<b>Reimbursement of Expenses</b>	
Narayan Das Rathi	5.30

**C. (Balances payable)/ Balance receivable**

31 March 2024

Loan taken from director	(30.95)
Loan Given to Subsidiary Company	15.00
Reimbursement of Expenses	(4.59)
Director Remuneration Payable	(12.86)

**Terms and conditions of transactions with related parties:**

All related party transactions entered during the year were in ordinary course of the business and on arms length basis. Outstanding balances at the year end are unsecured and settlement occurs in cash.

**31. Additional disclosure with respect to amendments to Schedule III**

- The Company do not have any Benami property, where any proceeding has been initiated or pending against them for holding any Benami property.
- The Company do not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- The Company has not been declared a wilful defaulter by any bank or financial institution or other lender (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.
- The Company do not have any charges or satisfaction which is yet to be registered with Registrar of Companies (ROC) beyond the statutory period.
- The Company have not traded or invested in Crypto Currency or Virtual Currency during the financial year.
- The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall :
  - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries); or
  - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- The Company have not entered into any scheme of arrangement which has an accounting impact on the current or previous financial year.
- The Compliance with the number of layers prescribed under the Companies Act, 2013 is not applicable.
- There are no transaction entered with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956 as of and for the year ended 31 March 2024.



**Srivari Spices And Foods Limited***Formerly known as Srivari Spices And Foods Private Limited***Summary of significant accounting policies and other explanatory information**

(All amounts in ₹ lakhs, except share data and where otherwise stated)

j. The Company has not advanced or loaned funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- (a) directly or indirectly lend in other persons or entities identified in any manner whatsoever by or on behalf of the group (Ultimate Beneficiaries) or  
(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

k. Disclosure for details in relation to loans taken by the Company from banks or financial institutions on the basis of security of current assets.

**For the year ended 31 March 2024**

Quarter	Name of Bank	Particulars of Securities Provided	Amount as per Books of Account (₹ in Lakhs)	Amount as reported in the quarterly return/ statement (₹ in Lakhs)	Amount of difference (₹ in Lakhs)	Reason for material discrepancies
Q1	HDFC	Stock statement	1,315.45	1,315.45	-	
Q1	HDFC	Book debts	1,073.77	1,852.25	(778.48)	Due to non completion of Bank Entries.
Q2	HDFC	Stock statement	1,484.46	1,274.37	210.09	At the time of Half Yearly Results Audit, It was identified that purchases made by the farmers were not accounted.
Q2	HDFC	Book debts	1,919.62	1,690.12	229.50	Due to non completion of Bank Entries.
Q3	HDFC	Stock statement	1,741.49	1,741.49	-	
Q3	HDFC	Book debts	3,236.80	2,233.84	1,002.96	Due to non completion of Bank Entries.
Q4	HDFC	Stock statement	2,944.31	2,374.83	569.48	At the time of Audit, It was identified that purchases made by the farmers were not accounted.
Q4	HDFC	Book debts	1,842.07	1,846.53	(9.05)	Due to non completion of Bank Entries.

l. Analytical ratios : since this is first year of consolidated financial statements analytical ratios cannot be performed in absence of comparatives

**32. Earnings Per Share (EPS)**

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit attributable to equity shareholders and the weighted average number of shares outstanding are adjusted for the effect of all dilutive potential equity shares which includes all stock options granted to employees. The number of equity shares is the aggregate of the weighted average number of equity shares and the weighted average number of equity shares which are to be issued in the conversion of all dilutive potential equity shares into equity shares.

**Disclosure as required by Accounting Standard - Earnings per share:**

	<u>31 March 2024</u>
Profit for the year	703.39
Basic weighted average number of equity shares outstanding	6,287,541
<b>Basic earnings per share</b>	<b>11.19</b>
Add: Dilutive impact of potential equity shares	
Diluted weighted average number of equity shares outstanding	6,287,541
<b>Diluted earnings per share</b>	<b>11.19</b>

33. Figures have been rearranged and regrouped wherever practicable and considered necessary.

34. The management has confirmed that adequate provisions have been made for all the known and determined liabilities and the same is not in excess of the amounts reasonably required to be provided for.

35. The balances of trade payables, trade receivables, loans and advances are unsecured and considered as good are subject to confirmations of respective parties concerned.



**Srivari Spices And Foods Limited***Formerly known as Srivari Spices And Foods Private Limited***Summary of significant accounting policies and other explanatory information**

(All amounts in ₹ lakhs, except share data and where otherwise stated)

**36. Disclosure for Gratuity****Defined benefit plan - gratuity**

The Company operates one defined plan, i.e., gratuity, for its employees. Under the gratuity plan, every employee who has completed at least five years of service gets a gratuity on retirement or termination at 15 days of last drawn salary for each completed year of service. The scheme is unfunded. The following tables summarize the components of net benefit expense recognized in the Statement of Profit and Loss and amounts recognized in the balance sheet for the plan.

**(i) Principal Actuarial Assumption used**

Particulars	31 March 2024
Discount Rate (p.a)	7.15%
Salary Growth Rate	10.00%
Withdrawal Rates	40.00%
Mortality Rate	Indian Assured Lives Mortality
Retirement age	60

**(ii) Table Showing Change in the Present Value of Defined Benefit Obligation:**

Particulars	31 March 2024
Opening Defined Benefit Obligation	0.36
Current service cost	0.40
Interest cost	0.03
Actuarial loss (gain)	(0.01)
Past service cost	-
Benefits paid by company	-
<b>Closing Defined Benefit Obligation</b>	<b>0.77</b>

**(iii) Fund status of Plan**

Particulars	31 March 2024
Present value of unfunded obligations	0.77
Present value of funded obligations	-
Fair value of plan assets	-
Unrecognised Past Service Cost	-
<b>Net Liability (Asset)</b>	<b>0.77</b>

**(iv) Expenses Recognized in the Statement of Profit and Loss**

Particulars	31 March 2024
Current service cost	0.40
Interest on obligation	0.03
Net actuarial loss/(gain)	(0.01)
Un Recognised Past Service Cost-Vested	-
<b>Net expense</b>	<b>0.41</b>

**(v) Amount recognized in the Balance Sheet**

Particulars	31 March 2024
Present Value of Defined Benefit Obligation	0.77
Fair value of plan assets	-
Unrecognised Past Service Cost	-
<b>Net Defined Benefit Liability/(Assets)</b>	<b>0.77</b>

**(vi) Balance Sheet Reconciliation**

Particulars	31 March 2024
Opening net liability	0.36
Expense as above	0.41
(Benefit paid)	-
<b>Net liability/(asset) recognized in the balance sheet</b>	<b>0.77</b>



**Srivari Spices And Foods Limited***Formerly known as Srivari Spices And Foods Private Limited***Summary of significant accounting policies and other explanatory information**

(All amounts in ₹ lakhs, except share data and where otherwise stated)

**(vii) Bifurcation Of Liability**

Particulars	31 March 2024
Current (Short Term) Liability	0.00
Non Current (Long Term) Liability	0.77
<b>Net Liability(Asset)</b>	<b>0.77</b>

**(viii) Experience Adjustments**

Particulars	31 March 2024
Defined Benefit Obligation	0.77
Plan Assets	-
<b>Surplus/(Deficit)</b>	<b>0.77</b>
Experience adjustments on plan liabilities	(0.01)
Actuarial loss/(gain) due to change in financial assumptions	0.00
Actuarial loss/ (gain) due to change in demographic assumption	-
Experience adjustments on plan assets	-
<b>Net actuarial loss/ (gain) for the year</b>	<b>(0.01)</b>

ix. The estimates of rate of salary increase considered in the actuarial valuation takes into account inflation, seniority, promotion and all other relevant factors including supply and demand in the employment market

**37. Realizations**

In the opinion of the Board and to the best of its knowledge and belief, the value on realization of current assets and loans and advances are approximately of the same value as stated.

**38. Amounts in the financial statements**

Amounts in the financial statements are rounded off to nearest lacs. Figures in brackets indicate negative values.

**39. Exceptional and Extra-ordinary items**

There are no exceptional and extra-ordinary items which is required to be disclosed in the attached financial statements.

**For RAO & SHYAM**

Chartered Accountants

Firm Registration No. 006186S

Kandarp Kumar Dulpuria

Partner

Membership No. 228416



For and on behalf of the Board of Directors

**Srivari Spices And Foods Limited***Formerly known as Srivari Spices And Foods Private Limited*

Neelhaa Rathi

Director

DIN:05274847

Naveena Chepur

Chief Financial Officer

Narayan Das Rathi

Director

DIN:09065949

Barla Sushma

Company Secretary

M.No. A51275

**UDIN - 24228416 B KB Z J J 8 5 1 5**

Place: Hyderabad

Date: 28 May 2024

Place: Hyderabad

Date: 28 May 2024

Place: Hyderabad

Date: 28 May 2024

## ACCOUNTING RATIOS

The following tables present certain accounting and other ratios derived from the Consolidated Financial Statements for the Financial Years ending March 31, 2024. For further details please refer to the chapter titled “Financial Statements” beginning on page 102 of this Letter of Offer.

**(On the basis of consolidated financials)**

### EARNINGS PER SHARE

*(₹ in Lacs, unless otherwise specified)*

Particulars	For The Financial Year Ended March 31, 2024
Net profit / (loss) after tax, attributable to equity shareholders	703.39
Weighted average number of Equity Shares outstanding	62,87,541
Basic EPS in ₹	11.19
Diluted EPS in ₹	11.19
Face value in ₹	10.00

### NET ASSET VALUE PER EQUITY SHARE

*(₹ in Lacs, unless otherwise specified)*

Particulars	For The Financial Year Ended March 31, 2024
Net worth (A)	2,398.74
Number of Equity Shares outstanding (B)	71,42,000
<b>NAV (A/B)</b>	<b>33.59</b>
Face value in ₹	10.00

### RETURN ON NET WORTH

Particulars	For The Financial Year Ended March 31, 2024
Net worth (A)	2,398.74
Net Profit/(Loss) for the period from Continuing Operations and Discontinuing Operations Attributable to Equity Holders(B)	703.39
<b>RONW (B/A *100)</b>	<b>29.32</b>

### EBITDA

Particulars	For The Financial Year Ended March 31, 2024
Profit/(Loss) after tax (A)	703.39
Tax expenses / (Credit) (B)	299.81
Exceptional Item (C)	-
Finance costs (D)	189.96
Depreciation & amortization expense (E)	84.70
<b>EBIDTA (A+B+C+D+E)</b>	<b>1,277.86</b>

<b>Basic earnings per share</b>	Net Profit/ (Loss) after tax as per Statement of Profit and Loss attributable to Equity Shareholders before and after exceptional item, as applicable divided by Weighted Average number of Equity Shares outstanding at the end of the financial year
---------------------------------	--

<b>Diluted earnings per share</b>	Net Profit/ (Loss) after Tax as per Statement of Profit and Loss attributable to Equity Shareholders before or after exceptional item, as applicable/ Weighted Average number of Equity Shares outstanding at the end of the financial year
<b>Return on net worth (in %)</b>	Profit/ (Loss) for the Period/Year as per Statement of Profit and Loss attributable to Equity Shareholders of the company divided by Net worth as attributable to equity shareholders of the company at the end of the financial year
<b>Net asset value per Equity Share</b>	Net Worth on basis divided by the number of Equity Shares outstanding for the period/year
<b>EBITDA</b>	Profit for the year before finance costs, tax, depreciation, amortisation and items as presented in the statement of profit and loss in the Consolidated Audited Financial Statements

*(The remainder of this page is intentionally left blank)*

## MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion and analysis of financial condition and results of operations together with our financial statements included in this Letter of Offer. The following discussion relates to our Company and is based on our restated financial statements. Our financial statements have been prepared in accordance with Indian GAAP, the accounting standards and other applicable provisions of the Companies Act.

Note: Statement in the Management Discussion and Analysis Report describing our objectives, outlook, estimates, expectations or prediction may be "Forward looking statement" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to our operations include, among others, economic conditions affecting demand/supply and price conditions in domestic and overseas market in which we operate, changes in Government Regulations, Tax Laws and other Statutes and incidental factors.

### BUSINESS OVERVIEW

Our Company was incorporated on January 29, 2019 as '*Srivari Spices and Foods Private Limited*', a private limited company under the Companies Act, 2013, pursuant to a certificate of incorporation dated January 30, 2019 issued by the Deputy Registrar of Companies, Central Registration Centre. Subsequently, our Company was converted into a public limited company and consequently the name of our Company was changed to '*Srivari Spices and Foods Limited*' and a fresh certificate of incorporation dated December 27, 2022 was issued by the Registrar of Companies, Telangana at Hyderabad. The corporate identification number of our Company is **L15494TG2019PLC130131**.

Our Company is engaged in the business of manufacturing spices and flour (chakki atta) and market and sell it in and around Telangana and Andhra Pradesh. We handpick our raw materials from various parts of the country and process our products with utmost care without the use of artificial preservatives or chemicals, thereby creating a product portfolio of organic spices and flour, which carry the freshness and goodness of each ingredient. Our unique business model has helped us penetrate the niche segment of our market and establish a customer base in and around Telangana and Andhra Pradesh. Our goal since our incorporation was to manufacture quality spices and other food products which are organic and do not contain any artificial preservatives or chemicals, and in order to achieve our goal we have created a unique business model, wherein we manufacture and package our products in quantities which can sustain a customer until the shelf life of our product, in order to avoid wastage and deliver a wide range of products which carry the freshness and goodness of each ingredient. Our business has two model first is direct to customer ("**D2C**") in nature, wherein we deliver our products directly at the doorstep of our customers using approximately 15,000 retail stores. Secondly we also work in business to business ("**B2B**"), wherein we deliver to our products to the suppliers directly.

Our total revenue for the financial year ended March 31, 2024 was ₹ 7,828.53 lacs while the profit after tax was ₹ 703.39 lacs.

### FINANCIAL PERFORMANCE

The financial performance of our Company for half year ended on March 31, 2024 and as on March 31, 2023 is as follows:

(₹ in Lacs)

Particulars	Year ended March 31, 2024	Year Ended March 31, 2023
Revenue from operations	7,828.33	3,581.29
Profit/ (loss) after tax from continuing operation	703.39	309.15
Profit/ (loss) after tax from discontinuing operation	-	-
Profit/ (loss) from continuing and discontinuing operation	703.39	309.15

### FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Except as otherwise stated in this Letter of Offer and the Risk Factors given in the Letter of Offer, the following important factors could cause actual results to differ materially from the expectations include, among others:

### ***Regulatory Framework***

We have obtained all regulatory permissions which are necessary to run our business, Further, some of the approvals are granted for fixed periods of time and need renewals, which are obtained in the course of business, however, there may be change in statutory regulations at any time which cannot be predicted by us. There can be no assurance that the change in regulations will not impact our operations in the future.

### ***Ability of Management***

Our success depends on the continued services and performance of the members of our management team and other key employees. Competition for senior management in the industry is intense, and we may not be able to retain our existing senior management or attract and retain new senior management in the future. The loss of the services of our Promoters could seriously impair our ability to continue to manage and expand our business. Further, the loss of any other member of our senior management or other key personnel may adversely affect our business, results of operations and financial condition.

### ***Ability to manage logistics and transportation needs***

Apart from in-house transportation facility we rely on third party transportation and other logistic facilities at every stage of our business activity including for procurement of products from our suppliers and for transportation from our factory to our customers and other markets. Since the cost of our goods also carried by third party transporters is typically much higher than the consideration paid for transportation, it may be difficult for us to recover damages for damaged, delayed or lost goods. Our operations and profitability are dependent upon the availability of transportation and other logistic facilities in a time and cost-efficient manner. Accordingly, our business is vulnerable to increased transportation costs, transportation strikes and lock-outs, shortage of labour, delays and disruption of transportation services for events such as weather-related problems and accidents. Further, global supply chains can be impacted with the increase in the fees of shipping routes putting cost pressures. Further, movement of goods encounters additional risks such as accidents, pilferage, spoilage or shrinkage may adversely affect our operations, results of operations and financial condition. Although we have not experienced any material logistics and transport related disruptions in the past, any prolonged disruption or unavailability of such facilities in a timely manner could result in delays or non-supply or may require us to look for alternative sources which may not be cost-effective, thereby adversely affecting our operations, results of operations, cash flows and financial condition.

### ***Market & Economic conditions***

India is one of the largest economies and is growing at a rapid pace. But in this globalised economy, all the businesses face an uncertain level of volatility from unexpected global events which ranges from global pandemics to wars, to weather changes to supply chain disruption, which may change the economic dynamics and the purchasing capability of the end customers. At the time of market slowdown, the demand falls which has adverse impact on our business. ***Competition***

We operate in a competitive atmosphere. Our competition varies by market, geographic areas and type of products. Our Company may face stiff competition from domestic as well as global market as the dynamic changes. Some of our competitors may have greater resources than those available to us. While service quality, technical ability, performance records, etc are key factors in client decisions among competitors, however, price & quality are the deciding factor in most cases. Further, this industry is fragmented with many small and medium sized companies and entities, which manufactures some of these products at various levels, which may adversely affect our business operation and financial condition. Further, there are no entry barriers in this industry and any expansion in capacity of existing manufacturers would further intensify competition. Moreover, as we seek to diversify into new geographical areas, new territories, new emerging markets, we face competition from competitors that have a pan-India presence and also from competitors that have a strong presence in regional markets. The markets in which we compete and intend to compete are undergoing, and are expected to continue to undergo, rapid and significant change. We expect competition to intensify as technological advances and consolidations continue. These competitive factors may force us to reduce rates, and

to pursue new market opportunities. Increased competition could result in reduced demand for our products, increased expenses, reduced margins and loss of market share. Failure to compete successfully against current or future competitors could harm our business, operating cash flows and financial condition.

### **Significant Developments after March 31<sup>st</sup>, 2024 that may affect our Future Results of Operations**

The Directors confirm that there have been no other events or circumstances since the date of the last financial statements as disclosed in the Letter of Offer which materially or adversely affect or is likely to affect the business or profitability of our Company or the value of our assets, or our ability to pay liabilities within next twelve months.

### **SIGNIFICANT ACCOUNTING POLICIES**

Except as mentioned in section titled “*Financial Statements*” beginning on page 102 of this Letter of Offer, there has been no change in accounting policies during the Fiscal years 2024 and Fiscal years 2023.

### **CHANGES IN ACCOUNTING POLICIES**

Except as mentioned in section titled “*Financial Statements*” beginning on page 102 of this Letter of Offer, there has been no change in accounting policies during the Fiscal years 2024 and Fiscal years 2023.

### **COMPONENTS OF INCOME AND EXPENDITURE**

#### **Income**

Our total income comprises of revenue from operations and other income.

#### **Revenue from Operations**

Our revenue from operation as a percentage of our total income was 100%, and 100% for the Financial Years ended March 31, 2024, and March 31, 2023 respectively.

#### **Other Income**

It is the income earned from Interest received on deposits with banks and others, Misc. Receipt, Dividend Received, Profit on Sale of Assets, etc.

#### **Expenditure**

Our total expenditure primarily consists of cost of raw materials consumed, Changes in inventories of finished goods, Work in progress and stock in trade, employee benefit expenses, finance costs and Other Expenses.

#### **Cost of material consumed**

Cost of Material consumed primarily includes inventory of work in progress and finished goods along with purchases of inventory.

#### **Employee Benefit Expenses**

Our employee benefits expense comprises of Salaries and wages, Director Remuneration, Contribution to Provident and ESI Funds & Staff Welfare Expenses.

#### **Finance costs**

Our Finance cost expenses comprises of Interest Expenses & other borrowing costs.

#### **Other Expenses**

Other expenses primarily include Manufacturing Expenses & Administrative & Selling Expenses, etc.

## Taxation

The current taxation is computed in accordance with relevant tax regulation. Deferred tax is recognized on timing differences between the accounting and the taxable income for the year and quantified using the tax rates and laws enacted or subsequently enacted as on balance sheet date. Deferred tax assets are recognized and carried forward to the extent that there is a virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized in future.

## **RESULTS OF OPERATIONS (CONSOLIDATED FINANCIAL STATEMENTS)**

The following discussion on results of operations should be read in conjunction with the Audited Financial Statements of our Company for the period ended for the period ended March 31, 2024:

(₹ in Lacs)

Particulars	For the year ended on March 31,	
	2024	% of Total**
<b>INCOME</b>		
Revenue from Operations	7,828.33	100.00%
Other Income	0.20	0.00%
<b>Total Revenue (A)</b>	<b>7,828.53</b>	<b>100.00%</b>
<b>EXPENDITURE</b>		
Cost of material consumed	6,327.15	80.82%
Changes in inventories of finished goods and work -in progress	(549.36)	-7.02%
Employee benefits expense	343.23	4.38%
Finance costs	189.96	2.43%
Depreciation and amortization expense	84.70	1.08%
Other expenses	429.65	5.49%
<b>Total Expenses (B)</b>	<b>6,825.33</b>	<b>87.19%</b>
<b>Profit/(Loss) before Tax (C=A-B)</b>	<b>1,003.20</b>	<b>12.81%</b>
<b>Tax Expense/ (benefit)</b>		
(a) Current Tax Expense	301.02	3.85%
(b) Deferred Tax	(1.21)	-0.02%
(c) Other Tax Exp / Adj. for Earlier year	-	0.00%
<b>Net tax expense / (benefit)</b>	<b>299.81</b>	<b>3.83%</b>
<b>Profit/(Loss) for the year</b>	<b>703.39</b>	<b>8.99%</b>

### **For the year ended March 31st, 2024**

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

The Revenue from Operations of our company for the year ended March 31st, 2024 was ₹7,828.33 lacs.

#### ***Other Income***

The other income of our company for the year ended March 31st, 2024 was ₹0.20 lacs.

#### ***Total Income***

The total income of our company for the year ended March 31<sup>st</sup>, 2024 was ₹7,828.53

#### ***Expenditure***

### *Cost of Material Consumed*

For the year ended March 31st, 2024, our Company incurred cost for materials consumed of ₹ 6,327.15 lacs.

### *Changes in Inventories of work-in-progress and finished goods*

For the year ended March 31st, 2024, our Company had Changes in Inventories of work-in-progress and finished goods of (549.36) lacs.

### *Employee Benefit Expenses*

For the year ended March 31st, 2024, our Company incurred for employee benefit expenses ₹343.23 lacs.

### *Finance Costs*

The finance costs for the year ended March 31st, 2024 was ₹189.96 lacs.

### *Depreciation and Amortization Expenses*

The Depreciation and Amortization Expenses for the year ended March 31st, 2024 was ₹84.70 lacs.

### *Other Expenses*

For the year ended March 31st, 2024, our other expenses were ₹429.65 lacs.

### *Profit/ (Loss) before Tax*

Our Company had reported a profit before tax for the year ended March 31st, 2024 of ₹1003.20 lacs

### *Profit/ (Loss) after Tax*

Profit after tax for the year ended March 31st, 2024 was at ₹703.39 lacs.

## **RESULTS OF OPERATIONS (STANDALONE FINANCIAL STATEMENTS)**

Particulars	For the year ended on March 31,			
	2024	% of Total**	2023	% of Total**
<b>INCOME</b>				
Revenue from Operations	7,828.33	100.00%	3,581.29	99.98%
Other Income	0.20	0.00%	0.72	0.02%
<b>Total Revenue (A)</b>	<b>7,828.53</b>	<b>100.00%</b>	<b>3,582.01</b>	<b>100.00%</b>
<b>EXPENDITURE</b>				
Cost of material consumed	6,327.15	80.82%	2,694.72	75.23%
Change in inventory of work in progress and finished goods	(549.36)	(7.02)%	(172.97)	(4.83)%
Employee benefits expense	343.23	4.38%	229.63	6.41%
Finance costs	189.95	2.43%	85.75	2.39%
Depreciation and amortization expense	84.7	1.08%	70.2	1.96%
Other expenses	429.65	5.49%	248.59	6.94%
<b>Total Expenses (B)</b>	<b>6,825.33</b>	<b>87.19%</b>	<b>3,155.93</b>	<b>88.11%</b>
<b>Profit/(Loss) before Tax</b>	<b>1,003.21</b>	<b>12.81%</b>	<b>426.08</b>	<b>11.89%</b>
<b>Tax Expense/ (benefit)</b>				
(a) Current Tax Expense	301.02	3.85%	120.33	3.36%
(b) Deferred Tax	(1.21)	(0.02)%	(1.59)	(0.04)%

Particulars	For the year ended on March 31,			
	2024	% of Total**	2023	% of Total**
(c) Other Tax Exp / Adj. for Earlier year	-		(1.81)	(0.05)%
<b>Net tax expense / (benefit)</b>	<b>299.81</b>	<b>3.83%</b>	<b>116.93</b>	<b>3.26%</b>
<b>Profit/(Loss) for the year</b>	<b>703.40</b>	<b>8.99%</b>	<b>309.15</b>	<b>8.63%</b>

**COMPARISON OF FINANCIAL YEAR ENDED 2024 TO FINANCIAL YEAR ENDED 2023 (STANDALONE BASIS)**

**Total Income:**

Our total income decreased by 118.55% to ₹ 7,828.53 Lacs for the FY 2024 from ₹ 3,582.01 Lacs for the FY 2023 due to the factors described below:

Revenue from Operations

Our revenue from operations was increased by 118.59% to ₹7,828.33 Lacs for the FY 2024 from ₹3,581.29 Lacs for the FY 2023.

Other Income

Other income decreased by 70.14% to ₹0.20 Lacs for the FY 2024 from ₹0.72 Lacs in FY 2023.

**Total Expenses:**

Our total expenses decreased by 116.27% to ₹6,825.32 Lacs for the FY 2024 from ₹3,155.93 Lacs for the FY 2023 due to the factors described below:

Cost of material consumed

The Cost of material consumed increased by 134.80% to ₹6,327.15 Lacs in FY 2024 from ₹2,694.72 Lacs in FY 2023.

Changes in Inventories of work-in-progress and finished goods

The changes in Inventories of work-in-progress and finished goods increased by 217.60% to (549.36) lacs in FY 2024 from ₹172.97 lacs in FY 2023.

Employee Benefit Expenses

The Employee Benefit Expenses increased by 49.47% to ₹343.23 Lacs in FY 2024 from ₹229.63 Lacs in FY 2023.

Finance Cost

The Finance cost increased by 121.52% ₹189.95 Lacs in FY 2023 from ₹85.75 Lacs in FY 2021.

Depreciation and Amortization expense

The Depreciation and Amortization expenses was ₹84.70 Lacs in FY 2024 and ₹70.20 Lacs in FY 2023.

Other Expenses

The Other expenses decreased by 72.84% to ₹429.65 Lacs in FY 2024 from ₹248.59 Lacs in FY 2023.

Profit before Tax

Our profit before tax decreased by 135.45% to ₹1,003.22 Lacs for the FY 2024 from ₹426.08 Lacs for the FY 2023.

#### Tax Expenses

Our current tax expense in FY 2024 was 301.02 and Deferred Tax was ₹ (1.21) Lacs  
Our current tax expense in FY 2023 was ₹120.33 Lacs and Deferred Tax was ₹ (1.59) Lacs and Other Tax Exp / Adj. for Earlier year was ₹ (1.81) Lacs.

#### Profit after Tax

After accounting for taxes at applicable rates, our Profit after Tax increased by 127.53 % to ₹703.41 Lacs in FY 2024 from ₹309.15 Lacs in FY 2023.

### **CASH FLOWS ((CONSOLIDATED FINANCIAL STATEMENTS)**

(Amount ₹ in lacs)

Particulars	For the year ended March 31,2024
Net Cash from Operating Activities	(1,055.68)
Net Cash from Investing Activities	(178.84)
Net Cash used in Financing Activities	1,250.21
Net increase in cash and cash equivalents (A+B+C)	15.69
Cash and cash equivalents at the beginning of the year	1.30
Cash and cash equivalents at the end of the period	16.99

#### **Cash Flows from Operating Activities**

Net cash from operating activities for the year ended 31st March 2024, was ₹ (1,055.68) lacs as compared to the Profit Before Tax at ₹ 1,003.20 lacs.

#### **Cash Flows from Investment Activities**

Net cash from investing activities for the year ended 31st March 2024 was ₹ (178.54) lacs due to purchase of tangible and intangible assets.

#### **Cash Flows from Financing Activities**

Net cashflow from financing activities for the year ended 31st March 2024 was ₹ 1,250.21 lacs due to proceeds from issue of equity shares, movement in borrowings along with finance cost.

### **CASH FLOWS (STANDALONE FINANCIAL STATEMENTS)**

(Amount ₹ in lacs)

Particulars	For the year ended March 31,2024	For the year ended March 31,2023
Net Cash from Operating Activities	(1,070.66)	(911.66)
Net Cash from Investing Activities	(179.83)	(109.67)
Net Cash used in Financing Activities	1,250.18	1,017.66
Net increase in cash and cash equivalents (A+B+C)	(0.32)	(3.66)
Cash and cash equivalents at the beginning of the year	1.30	4.96
Cash and cash equivalents at the end of the period	0.97	1.30

#### **Cash Flows from Operating Activities**

Net cash from operating activities for the year ended 31st March 2024, was ₹ (1,077.38) lacs as compared to the Profit Before Tax at ₹ 1,003.22 lacs. Net cash from operating activities for the year ended 31st March 2023, was ₹ (911.66) lacs as compared to the Profit Before Tax at ₹ 426.08 lacs.

### ***Cash Flows from Investment Activities***

Net cash from investing activities for the year ended 31st March 2024 was ₹ (179.83) lacs due to purchase of property, plant and equipment and intangible assets along with investment in subsidiary. Net cash from investing activities for the year ended 31st March 2024 was ₹ (109.67) lacs due to purchase of property, plant and equipment and intangible assets.

### ***Cash Flows from Financing Activities***

Net cashflow from financing activities for the year ended 31st March 2024 was ₹ 1,256.89 lacs due to proceeds from issue of equity shares, movement in borrowings along with finance cost. Net cashflow from financing activities for the year ended 31st March 2024 was ₹ 1,017.66 lacs due to proceeds from issue of equity shares, movement in borrowings along with finance cost.

## **RELATED PARTY TRANSACTIONS**

Related party transactions with certain of our promoters, directors and their entities and relatives primarily relate to remuneration, salary, commission and Issue of Equity Shares. For further details of related parties kindly refer chapter titled “*Financial Statements*” beginning on page 102 of this letter of offer.

## **SIGNIFICANT DEVELOPMENTS AFTER MARCH 31, 2024 THAT MAY AFFECT OUR FUTURE RESULTS OF OPERATIONS**

Other than as disclosed in this Letter of Offer, there have been no significant developments after March 31, 2024, the date of the latest balance sheet included in this Letter of Offer that may affect our future results of operations. For further information, see “*Material Developments*” on page 116 of this Letter of Offer.

*(The remainder of this page is intentionally left blank)*

## SECTION VI LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATION AND DEFAULTS

There are no: (i) criminal proceedings; (ii) actions by statutory or regulatory authorities; (iii) claims relating to direct and indirect taxes; or (iv) Material Litigation (as defined below); involving our Company, Directors, Promoters or Group Companies.

Further our Company, Directors, Promoters and Group Companies are not wilful defaulters or fraudulent borrowers and there have been no violations of securities laws in the past or pending against them.

#### LITIGATION RELATING TO OUR COMPANY

#### A. CASES FILED AGAINST OUR COMPANY

##### 1. Litigation involving Civil Laws

Nil

##### 2. Litigation involving Criminal Laws

Nil

##### 3. Litigation involving Securities and Economic Laws

Nil

##### 4. Litigation involving Taxation

Below are the details of pending tax cases involving our Promoter, specifying the number of cases pending and the total amount involved:

*(₹ in lakhs)*

Particulars	Number of cases	Amount involved*
<i>Indirect Tax</i>		
Sales Tax/VAT	NIL	NIL
Central Excise	NIL	NIL
Customs	NIL	NIL
Service Tax	NIL	NIL
<b>Total</b>	<b>NIL</b>	<b>NIL</b>
<i>Direct Tax</i>		
Income Tax	NIL	NIL
<b>Total</b>	<b>NIL</b>	<b>NIL</b>

##### 5. Other Pending Litigation based on Materiality Policy of our Company

Nil

#### B. CASES FILED BY OUR COMPANY

##### 1. Litigation involving Civil Laws

Nil

##### 2. Litigation involving Company Laws

Nil

##### 3. Litigation involving Securities and Economic Laws

Nil

**4. Litigation involving Taxation**

Nil

**5. Other Pending Litigation based on Materiality Policy of our Company**

Nil

**C. NOTICES FROM STATUTORY AUTHORITIES**

Nil

**LITIGATION RELATING TO THE DIRECTORS OTHER THAN PROMOTERS OF THE COMPANY**

**A. CASES FILED AGAINST THE DIRECTORS**

**1. Litigation involving Civil/Statutory Laws**

Nil

**2. Litigation involving Criminal Laws**

Nil

**3. Litigation involving Economic Offenses**

Nil

**4. Litigation involving Tax Liabilities**

Nil

**5. Other Pending Litigation based on Materiality Policy of our Company**

Nil

**B. NOTICES FROM STATUTORY AUTHORITIES**

Nil

**C. CASES FILED BY THE DIRECTORS**

**1. Litigation involving Civil/Statutory Laws**

Nil

**2. Litigation involving Criminal Laws**

Nil

**3. Litigation involving Economic Offenses**

Nil

**4. Litigation involving Tax Liabilities**

Nil

## **LITIGATION RELATING TO OUR PROMOTER AND PROMOTER GROUP ENTITIES**

### **A. CASES FILED AGAINST THE PROMOTER AND PROMOTER GROUP ENTITIES**

#### **1. Litigation involving Civil/Statutory Laws**

Nil

#### **2. Litigation involving Criminal Laws**

Nil

#### **3. Litigation involving Economic Offenses**

Nil

#### **4. Litigation involving Tax Liabilities**

Nil

#### **5. Other Pending Litigation based on Materiality Policy of our Company**

Nil

### **B. CASES FILED BY THE PROMOTER AND PROMOTER GROUP ENTITIES**

#### **1. Litigation involving Civil Laws**

Nil

#### **2. Litigation involving Criminal Laws**

Nil

#### **3. Litigation involving Securities and Economic Laws**

Nil

#### **4. Litigation involving Labour Laws**

Nil

#### **5. Litigation involving Taxation**

Nil

## **DISCLOSURES PERTAINING TO WILFUL DEFAULTERS OR FRAUDULENT BORROWER**

Neither our Company, nor our Promoters, and Directors have been categorized or identified as wilful defaulters or fraudulent borrower by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India. There are no violations of securities laws committed by them in the past or are currently pending against any of them.

## **MATERIAL DEVELOPMENTS OCCURRING SINCE MARCH 31, 2024**

There have not arisen, since the date of the last financial statements disclosed in this Letter of Offer, any circumstances which materially and adversely affect or are likely to affect our profitability taken as a whole or the value of our consolidated assets or our ability to pay our liabilities within the next 12 months.

## **GOVERNMENT AND OTHER APPROVALS**

Our Company is required to comply with the provisions of various laws and regulations and obtain approvals, registrations, permits and licenses under them for conducting our operations. The requirement for approvals may vary based on factors such as the activity being carried out and the legal requirements in the jurisdiction in which we are operating. Further, our obligation to obtain and renew such approvals arises periodically and applications for such approvals are made at the appropriate stage. Our Company has obtained all material consents, licenses, permissions and approvals from governmental and regulatory authorities that are required for carrying on our present business activities. In the event, some of the approvals and licenses that are required for our business operations expire in the ordinary course of business, we will apply for their renewal, from time to time. As on the date of this Letter of Offer, there are no pending material approvals required for our Company or any of our Subsidiaries, to conduct our existing business and operations.

“We are required to obtain a license from the Food Safety and Standards Authority of India (FSSAI) before commencing the manufacturing and storage of edible oil. We will obtain this license after the completion of infrastructure and the installation of the manufacturing plant.”

### **Material pending government and regulatory approvals pertaining to the Objects of the Issue**

As on the date of this Letter of Offer, there are no material pending government and regulatory approvals pertaining to the Objects of the Issue.

*(The remainder of this page is intentionally left blank)*

## OTHER REGULATORY AND STATUTORY DISCLOSURES

### AUTHORITY FOR THE ISSUE

The Issue has been authorized by a resolution of the Board passed at its meeting held on April 17, 2024 pursuant to Section 62(1)(a) of the Companies Act, 2013.

The Board of Directors has, at its meeting held on August 29, 2024, determined the Issue Price as ₹ 175 per Rights Equity Share (including a premium of ₹ 165 per Rights Equity Share) in consultation with the Legal Advisor to the Issue, and the Rights Entitlement as 1 Rights Equity Shares for every 5 Equity Shares held on the Record Date.

This Letter of Offer has been approved by our Board pursuant to their resolutions dated September 10, 2024.

Our Company has received in-principle approval from NSE pursuant to Regulation 28 of SEBI (LODR) Regulations, vide its letter dated August 22, 2024 for listing of the Rights Equity Shares to be allotted pursuant to the Issue. Our Company will also make an application to NSE to obtain trading approval for the Rights Entitlements as required under the SEBI Rights Issue Circulars.

Our Company has been allotted the ISIN INE0ON220012 for the Rights Entitlements to be credited to the respective demat accounts of the Equity Shareholders of our Company. Our Company has been allotted the ISIN INE0ON220012 both from NSDL and CDSL for the Rights Equity Shares issued pursuant to this Issue. For details, see section titled “*Terms of the Issue*” beginning on page 122 of this Letter of Offer.

### PROHIBITION BY SEBI AND OTHER GOVERNMENTAL AUTHORITIES

Our Company, our Promoters, our Promoter Group or our Directors, the persons in control of our Company have not been debarred and are not prohibited from accessing or operating in the capital market or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any jurisdiction or any authority/court as on date of this Letter of Offer.

The companies with which the Promoters or the Directors are associated as promoters or directors have not been debarred from accessing the capital market under any order or direction passed by SEBI or any other regulatory or governmental authority.

Neither our Promoters nor any of our Directors have been declared a fugitive economic offender under section 12 of the Fugitive Economic Offenders Act, 2018.

### DIRECTORS ASSOCIATED WITH THE SECURITIES MARKET

None of our Directors are, in any manner, associated with the securities market.

### PROHIBITION BY RBI

Neither our Company nor any of our Promoters or our Directors have been or are identified as Wilful Defaulters or Fraudulent Borrowers.

### CONFIRMATION UNDER THE COMPANIES (SIGNIFICANT BENEFICIAL OWNERSHIP) RULES, 2018

As on the date of this Letter of Offer, our Company, our Promoters and members of our Promoter Group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018, as amended (“SBO Rules”), to the extent applicable.

### ELIGIBILITY FOR THE ISSUE

Our Company is a listed company and has been incorporated under the Companies Act, 1956. Our Equity Shares are presently listed on Emerge platform of National Stock Exchange of India Limited. Our Company is eligible to offer Rights Equity Shares pursuant to this Issue in terms of Chapter III of the SEBI (ICDR) Regulations and

other applicable provisions of the SEBI (ICDR) Regulations. Further, our Company is undertaking this Issue in compliance with Part B of Schedule VI of the SEBI (ICDR) Regulations.

#### **COMPLIANCE WITH REGULATION 61 AND 62 OF THE SEBI (ICDR) REGULATIONS**

The present Issue being of less than ₹5,000 Lakhs, our Company is in compliance with first proviso to Regulation 3 of the SEBI (ICDR) Regulations and our Company shall file the copy of the Letter of Offer prepared in accordance with the SEBI (ICDR) Regulations with SEBI for information and dissemination on the website of SEBI.

Our Company is in compliance with the conditions specified in Regulations 61 and 62 of the SEBI (ICDR) Regulations, to the extent applicable. Our Company has made application to the Stock Exchange and has received their in-principal approval for listing of the Rights Equity Shares to be issued pursuant to this Issue. NSE is the Designated Stock Exchange for the purpose of the Issue.

#### **COMPLIANCE WITH CLAUSE (1) OF PART B OF SCHEDULE VI OF THE SEBI (ICDR) REGULATIONS**

Our Company is in compliance with the provisions specified in Clause (1) of Part B of Schedule VI of the SEBI (ICDR) Regulations as explained below:

1. Our Company has been filing periodic reports, statements and information in compliance with the SEBI (LODR) Regulations, as applicable for the last one year immediately preceding the date of filing of the Letter of Offer with NSE;
2. The reports, statements and information referred to above in clause (1) are available on the website of NSE;
3. Our Company has an investor grievance-handling mechanism which includes meeting of the Stakeholders' Relationship Committee at frequent intervals, appropriate delegation of power by our Board of directors as regards share transfer and clearly laid down systems and procedures for timely and satisfactory redressal of investor grievances.

As our Company satisfies the conditions specified in Clause (1) of Part B of Schedule VI of SEBI (ICDR) Regulations, disclosures in this Letter of Offer have been made in terms of Clause (4) of Part B of Schedule VI of SEBI (ICDR) Regulations.

#### **DISCLAIMER CLAUSE OF SEBI**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT THE SUBMISSION OF THE LETTER OF OFFER TO SEBI SHOULD NOT, IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE, OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS LETTER OF OFFER.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE LETTER OF OFFER.**

#### **DISCLAIMER FROM OUR COMPANY, OUR DIRECTOR(S)**

Our Company accept no responsibility for statements made otherwise than in this Letter of Offer or in any advertisement or other material issued by our Company or by any other persons at the instance of our Company and anyone placing reliance on any other source of information would be doing so at their own risk.

Investors who invest in the Issue will be deemed to have represented to our Company and its officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares, and are relying on independent advice/evaluation as to their ability and quantum of investment in the Issue.

## **CAUTION**

Our Company shall make all the relevant information available to the Eligible Equity Shareholders in accordance with the SEBI (ICDR) Regulations and no selective or additional information would be available for a section of the Eligible Equity Shareholders in any manner whatsoever, including at presentations, in research or sales reports, etc., after filing this Letter of Offer.

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this Letter of Offer. You must not rely on any unauthorized information or representations. This Letter of Offer is an offer to sell only the Rights Equity Shares and the Rights Entitlement, but only under circumstances and in the applicable jurisdictions. Unless otherwise specified, the information contained in this Letter of Offer is current only as at the date of this Letter of Offer.

## **DISCLAIMER WITH RESPECT TO JURISDICTION**

This Letter of Offer has been prepared under the provisions of Indian laws and the applicable rules and regulations thereunder. Any disputes arising out of this Issue will be subject to the jurisdiction of the appropriate court(s) in Ahmedabad, India only.

## **DESIGNATED STOCK EXCHANGE**

The Designated Stock Exchange for the purpose of this Issue will be National Stock Exchange of India Limited.

## **DISCLAIMER CLAUSE OF NSE**

“As required, a copy of this letter of offer has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter Ref. No. Confidential NSE/LIST/C/2024/0972 dated August 22, 2024 permission to the Issuer to use the Exchange’s name in this letter of offer as one of the stock exchanges on which this Issuer’s securities are proposed to be listed. The Exchange has scrutinized this letter of offer for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer.

It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the letter of offer has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this letter of offer; nor does it warrant that this Issuer’s securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange 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 any other reason whatsoever.”

## **FILING**

The Letter of Offer shall not be filed with SEBI, nor will SEBI issue any observation on the Letter of Offer as the size of issue is less than ₹ 50 Crore (Fifty Crores). The Letter of Offer has been filed with NSE for obtaining in-principle approval. However, a copy of the Letter of Offer shall be filed with the SEBI for the purpose of their information and dissemination on its website to the e-mail address: [cfddil@sebi.gov.in](mailto:cfddil@sebi.gov.in).

## **SELLING RESTRICTIONS**

The distribution of this Letter of Offer, the Letter of Offer, Abridged Letter of Offer, Rights Entitlement Letter, Application Form (collectively “Issue Materials) and the issue of Rights Equity Shares, to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession the Issue Materials may come are required to inform themselves about and observe such restrictions.

We are making this Issue of Equity Shares on a rights basis to the Eligible Equity Shareholders and will send/dispatch the Issue Materials only to the Eligible Equity Shareholders who have provided an Indian address and who are located in jurisdictions where the issue and sale of the Rights Entitlements and the Rights Equity Shares are permitted under laws of such jurisdiction and does not result in and may not be construed as, a public offering in such jurisdictions. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Issue Materials will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them. Those overseas shareholders who do not update our records with their Indian address or the address of their duly authorized representative in India, prior to the date on which we propose to dispatch the Issue Materials, shall not be sent any Issue Materials.

Further, the Letter of Offer will be provided to those who have provided their Indian addresses to our Company and who makes a request in this regard. Investors can also access the Letter of Offer, the Abridged Letter of Offer and the Application Form from the websites of the Registrar, our Company, The Stock Exchange.

Our Company shall also endeavor to dispatch physical copies of the Issue Materials to Eligible Equity Shareholders who have provided an Indian address to our Company. Our Company and the Registrar will not be liable for non-dispatch of physical copies of Issue Materials.

No action has been or will be taken to permit this Issue in any jurisdiction or the possession, circulation, or distribution of this Issue Materials or any other material relating to our Company, the Rights Equity Shares or Rights Entitlement in any jurisdiction where action would be required for that purpose. Accordingly, the Rights Entitlements or Rights Equity Shares may not be offered or sold, directly or indirectly, and the Issue Materials may not be distributed in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of the Issue Materials will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, under those circumstances, the Issue Materials must be treated as sent for information only and should not be copied, redistributed or acted upon for subscription to Rights Equity Shares or the purchase of Rights Entitlements. Accordingly, persons receiving a copy of the Issue Materials should not, in connection with the issue of the Rights Entitlements or Rights Equity Shares, distribute or send such document in, into the United States or any other jurisdiction where to do so would, or might contravene local securities laws or regulations or would subject the Company or their respective affiliates to any filing or registration requirement (other than in India). If the Issue Materials is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Rights Entitlement or Rights Equity Shares referred to in the Issue Materials. Envelopes containing an Application Form should not be dispatched from any jurisdiction where it would be illegal to make an offer, and all persons subscribing for the Rights Equity Shares in this Issue must provide an Indian address.

Any person who makes an application to acquire Rights Entitlement and the Rights Equity Shares offered in this Issue will be deemed to have declared, represented, warranted and agreed that such person is authorized to acquire the Rights Entitlement and the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in his jurisdiction, without requirement for our Company or their respective affiliates to make any filing or registration (other than in India).

Neither the delivery of the Letter of Offer, Abridged Letter of Offer, Entitlement Letter and Application Form nor any sale or offer hereunder, shall under any circumstances create any implication that there has been no change in our Company's affairs from the date hereof or that the information contained herein is correct as at any time subsequent to the date of this Letter of Offer or date of such information.

**THE CONTENTS OF THIS LETTER OF OFFER, THE LETTER OF OFFER AND ABRIDGED LETTER OF OFFER SHOULD NOT BE CONSTRUED AS LEGAL, TAX OR INVESTMENT ADVICE. PROSPECTIVE INVESTORS MAY BE SUBJECT TO ADVERSE FOREIGN, STATE OR LOCAL TAX OR LEGAL CONSEQUENCES AS A RESULT OF BUYING OR SELLING OF RIGHTS EQUITY SHARES OR RIGHTS ENTITLEMENTS. AS A RESULT, EACH INVESTOR SHOULD CONSULT ITS OWN COUNSEL, BUSINESS ADVISOR, AND TAX ADVISOR AS TO THE LEGAL, BUSINESS, TAX, AND RELATED MATTERS CONCERNING THE OFFER OF RIGHTS EQUITY SHARES OR RIGHTS ENTITLEMENTS. IN ADDITION, NEITHER OUR COMPANY NOR ANY OF THEIR RESPECTIVE AFFILIATES ARE MAKING ANY REPRESENTATION TO ANY OFFEREE OR PURCHASER OF THE RIGHTS EQUITY SHARES OR THE RIGHTS ENTITLEMENTS REGARDING THE LEGALITY OF AN INVESTMENT IN THE RIGHTS EQUITY SHARES OR THE**

**RIGHTS ENTITLEMENTS BY SUCH OFFEREE OR PURCHASER UNDER ANY APPLICABLE LAWS OR REGULATIONS.**

**INVESTOR GRIEVANCES AND REDRESSAL SYSTEM**

Our Company has made adequate arrangements for redressal of investor complaints in compliance with the corporate governance requirements under the SEBI (LODR) Regulations as well as a well-arranged correspondence system developed for letters of routine nature. We have been registered with the SEBI Complaints Redress System (SCORES) as required by the SEBI Circular bearing reference number CIR/OIAE/2/2011 dated June 3, 2011. Consequently, investor grievances are also tracked online by our Company through the SCORES mechanism.

Our Company has a Stakeholders Relationship Committee which meets at least once a year and as and when required. Its terms of reference include considering and resolving grievances of shareholders in relation to transfer of shares and effective exercise of voting rights. All investor grievances received by us have been handled by the Company Secretary and Compliance Officer.

The Investor complaints received by our Company are generally disposed of within 15 (Fifteen) days from the date of receipt of the complaint.

Any investor grievances arising out of the Issue will be handled by the Registrar to the Issue i.e., Bigshare Services Private Limited. The agreement between the Company and the Registrar provides for a period for which records shall be retained by the Registrar in order to enable the Registrar to redress grievances of Investors.

**Investors may contact the Registrar or our Compliance Officer for any pre-Issue/post-Issue related matter. All grievances relating to the ASBA process with a copy to the SCSBs (in case of ASBA process), giving full details such as name, address of the Applicant, contact number(s), e-mail ID of the sole/ first holder, folio number or demat account number, serial number of the Application Form, number of Rights Equity Shares applied for, amount blocked (in case of ASBA process), ASBA Account number and the Designated Branch of the SCSBs where the Application Form, or the plain paper application, as the case may be, was submitted by the ASBA Investors along with a photocopy of the acknowledgement slip (in case of ASBA process),. For details on the ASBA process, please see “Terms of the Issue” on page 122 of this Letter of Offer.**

**Investor Grievances arising out of this Issue**

The contact details of the Registrar to the Issue and the Company Secretary and Compliance Officer of our Company are as follows:

Company Secretary and Compliance Officer	Registrar to the Issue
<p><b>Ms. Sushma Barla,</b> 4-1-875, 876, 877 and 877/1, RDB Blue Hope, Tilak Road, Abids, Hyderabad- 500 001, Telangana, India <b>Telephone:</b> +91 88558 90576 <b>E-mail:</b> <a href="mailto:compliance@srivarispices.com">compliance@srivarispices.com</a></p>	<p><b>Bigshare Services Private Limited</b> Address: Office No. S6-2, VI Floor, Pinnacle Business Park, Mahakali Caves Road, Andheri (E), Mumbai-400093 <b>Telephone:</b> +91-022-62638200 <b>Fax:</b> +91-022-62638299 <b>Email:</b> <a href="mailto:rightsissue@bigshareonline.com">rightsissue@bigshareonline.com</a> <b>Investor Grievance :</b> <a href="mailto:investor@bigshareonline.com">investor@bigshareonline.com</a> <b>Website:</b> <a href="http://www.bigshareonline.com">www.bigshareonline.com</a> <b>Contact person:</b> Mr. Suraj Gupta <b>SEBI Registration No:</b> INR000001385</p>

In accordance with SEBI Rights Issue Circulars, frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors will be available on the website of the Registrar at [www.bigshareonline.com](http://www.bigshareonline.com). Further, helpline numbers provided by the Registrar for guidance on the Application process and resolution of difficulties are ([rightsissue@bigshareonline.com](mailto:rightsissue@bigshareonline.com) / +91-022-62638200).

## SECTION VII OFFERING INFORMATION

### TERMS OF THE ISSUE

*This Section applies to all Investors. ASBA Investors should note that the ASBA process involves procedures that may be different from that applicable to other Investors and should carefully read the provisions applicable to such Applications, in this Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the Application Form and the Rights Entitlement Letter, before submitting an Application Form. Our Company is not liable for any amendments, modifications or changes in applicable law which may occur after the date of this Letter of Offer. Investors who are eligible to apply under the ASBA process, as the case may be, are advised to make their independent investigations and to ensure that the Application Form and the Rights Entitlement Letter is correctly filled up.*

*Please note that in accordance with the provisions of the SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020 (“SEBI – Rights Issue Circular”), all investors (including renouncee) shall make an application for a rights issue only through ASBA facility. However, in view of the COVID-19 pandemic and the lockdown measures undertaken by Central and State Governments, relaxation from the strict enforcement of the SEBI – Rights Issue Circular has been provided by SEBI, vide its Circular SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 06, 2020 and Circular SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020. As per the said circular, in case the physical shareholders who have not been able to open a demat account or are unable to communicate their demat details, in terms of clause 1.3.4 of the SEBI – Rights Issue Circular, to the Company or Registrar to the Issue, for credit of REs within specified time, such physical shareholders may be allowed to submit their application subject to the conditions prescribed in the SEBI Circulars dated May 06, 2020 and July 24, 2020.*

*In accordance with the SEBI ICDR Regulations, the option to receive the Rights Equity Shares in physical form was available only for a period of six months from the date of coming into force of the SEBI ICDR Regulations, i.e., until May 10, 2019.*

***Since Allotment in this Issue will occur subsequent to May 10, 2019, the entitlement of Rights Equity Shares to be Allotted to the Applicants who have applied for Allotment of the Rights Equity Shares in physical form will be kept in abeyance in electronic mode by our Company until the Applicants provide details of their demat account particulars to the Registrar.***

*Further, In accordance with the SEBI Rights Issue Circulars, (a) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date; or (b) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, desirous of subscribing to Rights Equity Shares may also apply in this Issue during the Issue Period.*

*The Rights Equity Shares proposed to be issued on a rights basis, are subject to the terms and conditions contained in this Letter of Offer, The Letter of Offer, the Abridged Letter of Offer, including the Application Form and the Rights Entitlement Letter, the MOA and AOA of our Company, the provisions of the Companies Act, the terms and conditions as may be incorporated in the FEMA, applicable guidelines and regulations issued by SEBI or other statutory authorities and bodies from time to time, the SEBI Listing Regulations, terms and conditions as stipulated in the allotment advice or security certificate and rules as may be applicable and introduced from time to time.*

### OVERVIEW

This Issue and the Rights Equity Shares proposed to be issued on a rights basis, are subject to the terms and conditions contained in this the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association of our Company, the provisions of the Companies Act, 2013, FEMA, FEMA Rules, the SEBI (ICDR) Regulations, the SEBI (LODR) Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, approvals, if any, from the RBI or other regulatory authorities, the terms of the Listing Agreements entered into by our Company with the NSE and the terms and conditions as stipulated in the Allotment advice.

### IMPORTANT

## 1. Dispatch and availability of Issue materials

In accordance with the SEBI (ICDR) Regulations, SEBI Rights Issue Circulars, our Company will send/dispatch at least three days before the Issue Opening Date, the Abridged Letter of Offer, the Entitlement Letter, Application Form and other issue material (“**Issue Materials**”) only to the Eligible Equity Shareholders who have provided an Indian address to our Company and who are located in jurisdictions where the offer and sale of the Rights Entitlement or Rights Equity Shares is permitted under laws of such jurisdictions and does not result in and may not be construed as, a public offering in such jurisdictions. In case the Eligible Equity Shareholders have provided their valid e-mail address, the Issue Materials will be sent only to their valid e mail address and in case the Eligible Equity Shareholders have not provided their e-mail address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Further, the Letter of Offer will be sent/dispatched, by the Registrar to the Issue on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses and have made a request in this regard. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Letter of Offer will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and in each case who make a request in this regard.

Investors can access the Letter of Offer, the Abridged Letter of Offer, and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) on the websites of:

- a) Our Company’s website at [www.srivarispices.com](http://www.srivarispices.com);
- b) Registrar to the Issue’s website at [www.bigshareonline.com](http://www.bigshareonline.com);
- c) NSE website at [www.nseindia.com](http://www.nseindia.com);

Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar to the Issue’s website at [www.bigshareonline.com](http://www.bigshareonline.com) by entering their DP-ID and Client-ID and PAN. The link for the same shall also be available on the website of our Company at [www.srivarispices.com](http://www.srivarispices.com).

Further, our Company will undertake all adequate steps to reach out the Eligible Equity Shareholders who have provided their Indian address through other means, as may be feasible. In light of the current COVID-19 situation and pursuant to the SEBI Rights Issue Circulars, our Company and the Registrar to the Issue will not be liable for non-dispatch of physical copies of Issue materials, including the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form attributable to the non-availability of the e-mail addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in transit.

## 2. Facilities for Application in this Issue

**In accordance with Regulation 76 of the SEBI (ICDR) Regulations, SEBI - Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use either the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA. For details, refer “Procedure for Application through the ASBA Process” on page 123.**

### ASBA facility

Investors can submit either the Application Form in physical mode to the Designated Branches of the SCSBs or online/ electronic Application through the website of the SCSBs (if made available by such SCSB) authorizing the SCSB to block the Application Money in an ASBA Account maintained with the SCSB. Application through ASBA facility in electronic mode will only be available with such SCSBs who provide such facility.

Please note that subject to SCSBs complying with the requirements of SEBI circular bearing reference number CIR/CFD/DIL/13/2012 dated September 25, 2012, within the periods stipulated therein, Applications may be submitted at the Designated Branches of the SCSBs.

Further, in terms of the SEBI circular bearing reference number CIR/CFD/DIL/1/2013 dated January 02, 2013, it is clarified that for making Applications by SCSBs on their own account using ASBA facility, each such SCSB should have a separate account in its own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making an Application in this Issue and clear demarcated funds should be available in such account for such an Application.

***Applicants should note that they should very carefully fill-in their depository account details and PAN in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB). Please note that incorrect depository account details or PAN or Application Forms without depository account details shall be treated as incomplete and shall be rejected. For details refer "Grounds for Technical Rejection" on page 130. Our Company, the Registrar and the SCSBs shall not be liable for any incomplete or incorrect demat details provided by the Applicants.***

Additionally, in terms of Regulation 78 of the SEBI (ICDR) Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, see "Application on Plain Paper under ASBA process" on page 125 of this Letter of Offer.

### **3. Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders**

In accordance with Regulation 77A of the SEBI (ICDR) Regulations read with the SEBI - Rights Issue Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to: (a) The demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (b) A demat suspense escrow account opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to: (i) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI (LODR) Regulations; or (ii) Equity Shares held in the account of IEPF authority; or (iii) The demat accounts of the Eligible Equity Shareholder which are frozen or details of which are unavailable with our Company or with the Registrar on the Record Date; or (iv) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (v) Credit of the Rights Entitlements returned/reversed/ failed; or (vi) The ownership of the Equity Shares currently under dispute, including any court proceedings, as applicable.

Eligible Equity Shareholders, whose Rights Entitlements are credited in demat suspense escrow account opened by our Company, are requested to provide relevant details (such as copies of self-attested PAN and client master sheet of demat account etc., details/ records confirming the legal and beneficial ownership of their respective Equity Shares) to the Company or the Registrar to the Issue not later than 2 (Two) Working Days prior to the Issue Closing Date, i.e., by October 01, 2024 to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least 1 (One) day before the Issue Closing Date, to enable such Eligible Equity Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account is active, details of which have been provided to the Company or the Registrar to the Issue, to facilitate the aforementioned transfer. Eligible Equity Shareholders holding Equity Shares in physical form can update the details of their demat accounts on the website of the Registrar (i.e., [www.bigshareonline.com](http://www.bigshareonline.com)). Such Eligible Equity Shareholders can make an application only after the Rights Entitlements is credited to their respective demat accounts.

Eligible Equity Shareholders can obtain the details of their Rights Entitlements from the website of the Registrar (i.e., [www.bigshareonline.com](http://www.bigshareonline.com)) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and PAN.

### **4. Application by Resident Eligible Equity Shareholders holding Equity Shares in physical form**

Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialized form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Equity Shares in this Issue are advised to furnish the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date.

In accordance with the SEBI Rights Issue Circulars, (a) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date; or (b) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to our Company or Registrar at least two Working Days prior to the Issue Closing Date, desirous of subscribing to Rights Shares may also apply in this Issue during the Issue Period. Application by such Eligible Equity Shareholders is subject to following conditions:

- a) The Eligible Equity Shareholders are residents;
- b) The Eligible Equity Shareholders are not making payment from non-resident account;
- c) The Eligible Equity Shareholders shall not be able to renounce their Rights Entitlements; and
- d) The Eligible Equity Shareholders shall receive Rights Shares, in respect of their Application, only in demat mode.

Prior to the Issue Opening Date, the Rights Entitlements of those resident Eligible Equity Shareholders, among others, who hold Equity Shares in physical form, and whose demat account details are not available with our Company or Registrar, shall be credited in a demat suspense escrow account opened by our Company.

Accordingly, such resident Eligible Equity Shareholders are required to send a communication to our Company containing the name(s), Indian address, email address, contact details and the details of their demat account along with copy of self- attested PAN and self-attested client master sheet of their demat account either by post, speed post, courier, electronic mail, or hand delivery, to enable process of credit of Rights Shares in such demat account.

## 5. Application for Additional Equity Shares

Investors are eligible to apply for additional Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Equity Shares under applicable law and they have applied for all the Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Where the number of additional Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalised in consultation with the Designated Stock Exchange. Applications for additional Equity Shares shall be considered and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner as set out in "*Basis of Allotment*" beginning on page 134.

### OTHER IMPORTANT LINKS AND HELPLINE

The Investors can visit following links for the below-mentioned purposes:

Frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors: [www.bigshareonline.com](http://www.bigshareonline.com);

Updating of Indian address/ e-mail address/ mobile number in the records maintained by the Registrar to the Issue or our Company: [info@srivarispecies.com](mailto:info@srivarispecies.com) ;

Submission of self-attested PAN, client master sheet and demat account details by non-resident Eligible Equity Shareholders: [www.bigshareonline.com](http://www.bigshareonline.com);

Submission of self-attested PAN, client master sheet and demat account details by non-resident Eligible Equity Shareholders: [www.bigshareonline.com](http://www.bigshareonline.com).

### RENOUNCES

All rights and obligations of the Eligible Equity Shareholders in relation to Applications and refunds pertaining to this Issue shall apply to the Renouncee(s) as well.

### **AUTHORITY FOR THE ISSUE**

This Issue has been authorized by a resolution of our Board passed at its meeting held on April 17, 2024 pursuant to Section 62(1)(a) and other applicable provisions of the Companies Act, 2013. The Board of Directors of our Company in its meeting held on August 29, 2024 has resolved to issue Rights Equity Shares to the Eligible Equity Shareholders, at ₹ 175 /- per Rights Equity Share, in the ratio of 01: 05 i.e., 01 (One) Rights Equity Share for every 05 (Five) Equity Shares, as held on the Record Date.

Our Company has received in-principle approval from NSE in accordance with Regulation 28 of the SEBI Listing Regulations for listing of the Rights Equity Shares to be Allotted in the Issue pursuant to its letter dated August 22, 2024.

### **BASIS FOR THIS ISSUE**

The Rights Equity Shares are being offered for subscription for cash to the Eligible Equity Shareholders whose names appear as beneficial owners as per the list to be furnished by the Depositories in respect of our Equity Shares held in dematerialised form and on the register of members at the close of business hours on the Record Date, decided in consultation with the Designated Stock Exchange, but excludes persons not eligible under the applicable laws, rules, regulations and guidelines.

### **RIGHTS ENTITLEMENTS**

As your name appears as a beneficial owner in respect of the issued and paid-up Equity Shares held in dematerialised form or appears in the register of members of our Company as an Eligible Equity Shareholder in respect of our Equity Shares held in physical form, as on the Record Date, you may be entitled to subscribe to the number of Rights Equity Shares as set out in the Rights Entitlement Letter.

The Registrar will send/dispatch a Rights Entitlement Letter along with the Abridged Letter of Offer and the Application Form to all Eligible Equity Shareholders who have provided an Indian address to our Company and who are located in jurisdictions where the offer and sale of the Rights Entitlements or Rights Equity Shares is permitted under laws of such jurisdiction and does not result in and may not be construed as, a public offering in such jurisdictions, which will contain details of their Rights Entitlements based on their shareholding as on the Record Date.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar (i.e., [www.bigshareonline.com](http://www.bigshareonline.com)) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and PAN.

Rights Entitlements shall be credited to the respective demat accounts of Eligible Equity Shareholders before the Issue Opening Date only in dematerialised form. If Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date. Such Eligible Equity Shareholders holding shares in physical form can update the details of their respective demat accounts on the website of the Registrar (i.e., [www.bigshareonline.com](http://www.bigshareonline.com)). Such Eligible Equity Shareholders can make an application only after the Rights Entitlements is credited to their respective demat accounts.

**Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders and the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other applicable Issue materials (“Issue Materials”) will be sent/ dispatched only to the Eligible Equity Shareholders who have provided Indian address and who are located in jurisdictions where the offer and sale of the Rights Entitlement or Rights Equity Shares is permitted under laws of such jurisdiction and does not result in and may not be construed as, a public offering in such jurisdictions. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Issue Materials will be sent only to their valid email address and in case such Eligible Equity Shareholders have not provided their e-mail address, then**

the Issue Materials will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them. For further details, see “*Notice to Investors*” and “*Restrictions on foreign ownership of Indian securities*” on page 11 and 141 of this Letter of Offer.

## PRINCIPAL TERMS OF THIS ISSUE

### Face Value

Each Rights Equity Shares will be having face value of ₹10.00 (Rupees Ten Only).

### Issue Price

Each Rights Equity Share is being offered at a price of ₹ 175 /- (Rupees One Hundred Seventy Five only) per Rights Equity Share (including a premium of ₹ 165 /- (Rupees One Hundred Sixty Five only) per Rights Equity Share) in this Issue.

The Issue Price for Rights Equity Shares has been arrived at by our Company in consultation with the Advisor to the Issue and has been decided prior to the determination of the Record Date.

### Rights Entitlements Ratio

The Rights Equity Shares are being offered on a rights basis to the Eligible Equity Shareholders in the ratio of 01 Rights Equity Share(s) for every 05 fully paid-up Equity Share(s) held by the Eligible Equity Shareholders as on the Record Date.

### Rights of instrument holder

Each Rights Equity Share shall rank pari passu with the existing Equity Shares of the Company.

### Terms of Payment

The entire amount of the Issue Price of ₹ 175/- (including premium of ₹165/- per Rights Equity Share) per Rights Equity Share shall be payable at the time of Application.

Where an Applicant has applied for additional Rights Equity Shares and is allotted a lesser number of Rights Equity Shares than applied for, the excess Application Money paid/blocked shall be refunded/unblocked. The unblocking of ASBA funds / refund of monies shall be completed be within such period as prescribed under the SEBI ICDR Regulations. In the event that there is a delay in making refunds beyond such period as prescribed under applicable law, our Company shall pay the requisite interest at such rate as prescribed under applicable law.

## Renunciation of Rights Entitlements

This Issue includes a right exercisable by Eligible Equity Shareholders to renounce the Rights Entitlements credited to their respective demat account either in full or in part.

The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and vice versa shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favour of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.

The renunciation of Rights Entitlements credited in your demat account can be made either by sale of such Rights Entitlements, using the secondary market platform of the Stock Exchange or through an off-market transfer. For details, see “*Procedure for Renunciation of Rights Entitlements*” on page 124 of this Letter of Offer.

In accordance with SEBI Rights Issue Circulars, the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least 2 (Two) Working Days prior to the Issue Closing Date, will not be able to renounce their Rights Entitlements.

### **Process of Credit of Rights Entitlements in dematerialized account**

In accordance with Regulation 77A of the SEBI (ICDR) Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to: (a) The demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialized form; and (b) A demat suspense escrow account opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to: (i) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI (LODR) Regulations; or (ii) Equity Shares held in the account of IEPF authority; or (iii) The demat accounts of the Eligible Equity Shareholder which are frozen or details of which are unavailable with our Company or with the Registrar on the Record Date; or (iv) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (v) Credit of the Rights Entitlements returned/ reversed/ failed; or (vi) The ownership of the Equity Shares currently under dispute, including any court proceedings, as applicable.

In this regard, our Company has made necessary arrangements with NSDL and CDSL for the crediting of the Rights Entitlements to the demat accounts of the Eligible Equity Shareholders in a dematerialized form. A separate ISIN for the Rights Entitlements has also been generated which is INE0ON220012. The said ISIN shall remain frozen (for debit) till the Issue Opening Date and shall become active on the Issue Opening Date and remain active for renunciation or transfer during the Renunciation Period. It is clarified that the Rights Entitlements shall not be available for transfer or trading post the Renunciation Period. The said ISIN shall be suspended for transfer by the Depositories post the Issue Closing Date.

Eligible Equity Shareholders are requested to provide relevant details (such as copies of self-attested PAN and client master sheet of demat account etc., details/ records confirming the legal and beneficial ownership of their respective Equity Shares) to the Company or the Registrar not later than 2 (Two) Working Days prior to the Issue Closing Date, i.e., by October 01, 2024 to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least 1 (One) day before the Issue Closing Date, to enable such Eligible Equity Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to the Company or the Registrar account is active to facilitate the aforementioned transfer.

Additionally, our Company will submit the details of the total Rights Entitlements credited to the demat accounts of the Eligible Equity Shareholders and the demat suspense escrow account to the Stock Exchange after completing the corporate action. The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar after keying in their respective details along with other security control measures implemented thereat.

**PLEASE NOTE THAT CREDIT OF THE RIGHTS ENTITLEMENTS IN THE DEMAT ACCOUNT DOES NOT, PER SE, ENTITLE THE INVESTORS TO THE RIGHTS EQUITY SHARES AND THE INVESTORS HAVE TO SUBMIT APPLICATION FOR THE RIGHTS EQUITY SHARES ON OR BEFORE THE ISSUE CLOSING DATE AND MAKE PAYMENT OF THE APPLICATION MONEY. FOR DETAILS, SEE “PROCEDURE FOR APPLICATION” ON PAGE 124.**

### **Fractional Entitlements**

The Rights Equity Shares are being offered on a rights basis to existing Eligible Equity Shareholders in the ratio of 1 Rights Equity Shares for every 2 Equity Shares held as on the Record Date. As per SEBI Rights Issue Circulars, the fractional entitlements are to be ignored. Accordingly, if the shareholding of any of the Eligible Equity Shareholders is less than 2 Equity Shares or is not in the multiple of 2 Equity Shares, the fractional entitlements of such Eligible Equity Shareholders shall be ignored by rounding down of their Rights Entitlements. However, the Eligible Equity Shareholders whose fractional entitlements are being ignored, will be given preferential consideration for the Allotment of one additional Rights Security if they apply for additional Rights Equity Shares over and above their Rights Entitlements, if any, subject to availability of Rights Equity Shares in this Issue post allocation towards Rights Entitlements applied for.

For example, if an Eligible Equity Shareholder hold 05 Equity Shares, such Equity Shareholder will be entitled to 01 Rights Equity Share(s) and will also be given a preferential consideration for the Allotment of one

additional Rights Equity Share if such Eligible Equity Shareholder has applied for additional Rights Equity Shares, over and above his/ her Rights Entitlements, subject to availability of Rights Equity Shares in this Issue post allocation towards Rights Entitlements applied for.

Further, the Eligible Equity Shareholders holding less than 05 Equity Shares shall have 'zero' entitlement for the Rights Equity Shares. Such Eligible Equity Shareholders are entitled to apply for additional Rights Equity Shares and will be given preference in the Allotment of one Rights Equity Shares, if such Eligible Equity Shareholders apply for additional Rights Equity Shares, subject to availability of Rights Equity Shares in this Issue post allocation towards Rights Entitlements applied for. However, they cannot renounce the same in favour of third parties.

### **Ranking of Equity Shares**

The Rights Equity Shares to be issued and Allotted pursuant to this Issue shall be subject to the provisions of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association, the provisions of the Companies Act, 2013, FEMA, the SEBI (ICDR) Regulations, the SEBI (LODR) Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, the terms of the Listing Agreements entered into by our Company with the Stock Exchange and the terms and conditions as stipulated in the Allotment advice.

The Rights Equity Shares being issued and allotted shall be subject to the provisions of the Memorandum of Association and Articles of Association. The Rights Equity Shares shall rank pari-passu, in all respects including dividend, with our existing Equity Shares.

### **Trading of the Rights Entitlements**

In accordance with the ASBA Circulars and SEBI Rights Issue Circulars, the Rights Entitlements credited shall be admitted for trading on the NSE under ISIN INE0ON220012. Prior to the Issue Opening Date, our Company will obtain the approval from the NSE for trading of Rights Entitlements. Investors shall be able to trade their Rights Entitlements either through On Market Renunciation or through Off Market Renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

The On Market Renunciation shall take place electronically on the secondary market platform of the Stock Exchange on T+2 rolling settlement basis, where T refers to the date of trading. The transactions will be settled on trade-for-trade basis. The Rights Entitlements shall be tradable in dematerialized form only. The market lot for trading of Rights Entitlements is one Rights Entitlement.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, i.e., from September 24, 2024 to September 27, 2024 (both days inclusive). No assurance can be given regarding the active or sustained On Market Renunciation or the price at which the Rights Entitlements will trade. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounees on or prior to the Issue Closing Date. For details, see "*Procedure for Renunciation of Rights Entitlements – On Market Renunciation*" and "*Procedure for Renunciation of Rights Entitlements – Off Market Renunciation*" on page 124 and 125 of this Letter of Offer.

**PLEASE NOTE THAT THE RIGHTS ENTITLEMENTS WHICH ARE NEITHER RENOUNCED NOR SUBSCRIBED BY THE INVESTORS ON OR BEFORE THE ISSUE CLOSING DATE SHALL LAPSE AND SHALL BE EXTINGUISHED AFTER THE ISSUE CLOSING DATE.**

### **Credit Rating**

As this Issue is a rights issue of Rights Equity Shares, there is no requirement of credit rating for this Issue.

### **Listing and trading of the Rights Equity Shares to be issued pursuant to this Issue**

As per the SEBI – Rights Issue Circular, the Rights Entitlements with a separate ISIN would be credited to the demat account of the respective Eligible Equity Shareholders before the issue opening date. On the Issue

Closing date the depositories will suspend the ISIN of REs for transfer and once the allotment is done post the basis of allotment approved by the designated stock exchange, the separate ISIN: INE0ON220012 for REs so obtained will be permanently deactivated from the depository system.

Subject to receipt of the listing and trading approvals, the Rights Equity Shares proposed to be issued on a rights basis shall be listed and admitted for trading on the Stock Exchange. Unless otherwise permitted by the SEBI (ICDR) Regulations, the Rights Equity Shares Allotted pursuant to this Issue will be listed as soon as practicable and all steps for completion of necessary procedures for listing and commencement of trading in the Rights Equity Shares will be taken within such period prescribed under the SEBI (ICDR) Regulations. Our Company has received in-principle approval from the NSE through letter bearing reference number © NSE/LIST/C/2024/210824:171547 dated August 22, 2024. Our Company will apply to the NSE for final approval for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under this Issue will trade after the listing thereof.

The existing Equity Shares are listed and traded on Emerge platform of NSE bearing Scrip Symbol 'SSFL' under ISIN 'INE0ON201012'. The Rights Equity shall be credited to temporary ISINs which will be frozen until the receipt of the final listing/ trading approval from the Stock Exchange. Upon receipt of such listing and trading approvals, the Rights Equity Shares shall be debited from such temporary ISINs and credited to the existing ISIN as fully paid-up Equity share of our company.

The listing and trading of the Rights Equity Shares issued pursuant to this Issue shall be based on the current regulatory framework then applicable. Accordingly, any change in the regulatory regime would affect the listing and trading schedule.

Upon receipt of such listing and trading approval, the Rights Equity Shares proposed to be issued pursuant to the Issue shall be debited from such temporary ISIN and credited in the existing ISIN and thereafter be available for trading under the existing ISIN as fully paid-up Equity Shares of our Company. The temporary ISIN shall be kept blocked till the receipt of final listing and trading approval from the Stock Exchange.

In case our Company fails to obtain listing or trading permission from the NSE SME, we shall refund through verifiable means/unblock the respective ASBA Accounts, the entire monies received/blocked within four days of receipt of intimation from the NSE, rejecting the application for listing of the Rights Equity Shares, and if any such money is not refunded/ unblocked within 4 (Four) days after our Company becomes liable to repay it, our Company and every director of our 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 rates prescribed under applicable law.

#### **Subscription to this Issue by our Promoter and our Promoter Group**

For details of the intent and extent of subscription by our Promoter and the Promoter Group, see the paragraph titled "*Intention and participation by the promoter and promoter group*" under the chapter titled "*Capital Structure*" on page 48 of this Letter of Offer.

#### **Rights of holders of Rights Equity Shares of our Company**

Subject to applicable laws, holders of the Rights Equity Shares shall have the following rights:

The right to receive dividend, if declared;

The right to vote in person, or by proxy, except in case of Rights Equity Shares credited to the demat suspense account for resident Eligible Equity Shareholders;

The right to receive surplus on liquidation;

The right to free transferability of Rights Equity Shares;

The right to attend general meetings of our Company and exercise voting powers in accordance with law; and

Such other rights as may be available to a shareholder of a listed public Company under the Companies Act, 2013, the Memorandum of Association and the Articles of Association.

**Subject to applicable law and Articles of Association, holders of Rights Equity Shares shall be entitled to the above rights in proportion to amount paid-up on such Rights Equity Shares in this Issue.**

## **GENERAL TERMS OF THE ISSUE**

### **Market Lot**

The Equity Shares of our Company are tradable only in dematerialized form. The market lot for trading of Rights Entitlements is 100 Shares and in multiples of 100 Shares. To clarify further, fractional entitlements are not eligible for trading.

### **Minimum Subscription**

In accordance with Regulation 86 of SEBI (ICDR) Regulations, if our Company does not receive the minimum subscription of at least 90% of the Issue of the Equity Shares being offered under this Issue, on an aggregate basis, our Company shall refund the entire subscription amount received within 4 (four) days from the Issue Closing Date. If there is delay in making refunds beyond such period as prescribed by applicable laws, our Company will pay interest for the delayed period at rates prescribed under applicable laws.

### **Joint Holders**

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as the joint holders with the benefit of survivorship subject to the provisions contained in our Articles of Association. In case of Equity Shares held by joint holders, the Application submitted in physical mode to the Designated Branch of the SCSBs would be required to be signed by all the joint holders (in the same order as appearing in the records of the Depository) to be considered as valid for allotment of Rights Equity Shares offered in this Issue.

### **Nomination**

Nomination facility is available in respect of the Rights Equity Shares in accordance with the provisions of the Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014. Since the Allotment is in dematerialized form, there is no need to make a separate nomination for the Rights Equity Shares to be allotted in this Issue. Nominations registered with the respective Depository Participants of the Investors would prevail. Any Investor holding Equity Shares in dematerialized form and desirous of changing the existing nomination is requested to inform its Depository Participant.

### **Arrangements for Disposal of Odd Lots**

The Rights Equity Shares are traded in dematerialized form only. The market lot for trading of Rights Entitlements is 100 Shares and in multiples of 100 Shares and therefore the marketable lot is 100 Equity Shares.

### **Restrictions on transfer and transmission of shares and on their consolidation/splitting**

There are no restrictions on transfer and transmission and on their consolidation/splitting of shares issued pursuant to this Issue. However, the Investors should note that pursuant to provisions of the SEBI (LODR) Regulations, with effect from April 1, 2019, except in case of transmission or transposition of securities, the request for transfer of securities shall not be affected unless the securities are held in the dematerialized form with a depository.

### **Notices**

In accordance with the SEBI (ICDR) Regulations, SEBI Rights Issue Circulars, our Company will send the Abridged Letter of Offer, the Rights Entitlement Letter, Application Form and other issue material only to the Eligible Equity Shareholders who have provided an Indian address to our Company and who are located in jurisdictions where the offer and sale of the Rights Entitlement or Rights Equity Shares is permitted under laws of such jurisdiction and does not result in and may not be construed as, a public offering in such jurisdictions. In

case the Eligible Equity Shareholders have provided their valid e-mail address, the Issue Materials will be sent only to their valid e-mail address and in case the Eligible Equity Shareholders have not provided their e-mail address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

The Letter of Offer will be provided by the Registrar to the Issue on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company and who make a request in this regard. In case the Eligible Equity Shareholders have provided their valid e-mail address, the Letter of Offer will be sent only to their valid e-mail address and in case the Eligible Equity Shareholders have not provided their email address, then the Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

All notices to the Eligible Equity Shareholders required to be given by our Company shall be published in one English language national daily newspaper with wide circulation, one Hindi language national daily newspaper with wide circulation and one Gujarati language daily newspaper with wide circulation (Gujarati being the regional language of Ahmedabad, where our Registered Office is situated). The Letter of Offer, the Abridged Letter of Offer and the Application Form shall also be submitted with the Stock Exchange for making the same available on their website.

#### **Offer to Non-Resident Eligible Equity Shareholders/Investors**

As per Rule 7 of the FEMA Rules, the RBI has given general permission to Indian companies to issue Rights Equity Shares to non-resident shareholders including additional Rights Equity Shares. Further, as per the Master Direction on Foreign Investment in India dated January 4, 2018 issued by the RBI, non-residents may, amongst other things:

Subscribe for additional Equity Shares over and above their Rights Entitlements;

Renounce the Equity Shares offered to them either in full or in part thereof in favour of a person named by them; or

Apply for the Equity Shares renounced in their favour.

Applications received from NRIs and non-residents for allotment of Rights Equity Shares shall be, amongst other things, subject to the conditions imposed from time to time by the RBI under FEMA in the matter of Application, refund of Application Money, Allotment of Rights Equity Shares and issue of Rights Entitlements Letters/ letters of Allotment/Allotment advice.

Applications received from NRIs and non-residents for allotment of Rights Equity Shares shall be, amongst other things, subject to the conditions imposed from time to time by the RBI under FEMA in the matter of Application, refund of Application Money, Allotment of Rights Equity Shares and issue of Rights Entitlements Letters/ letters of Allotment/Allotment advice. If a non-resident or NRI Investor has specific approval from RBI, in connection with his shareholding in our Company, such person should enclose a copy of such approval with the Application details and send it to the Registrar at [rightsissue@bigshareonline.com](mailto:rightsissue@bigshareonline.com). It will be the sole responsibility of the investors to ensure that the necessary approval from the RBI or the governmental authority is valid in order to make any investment in the Issue and our Company will not be responsible for any such allotments made by relying on such approvals.

The Abridged Letter of Offer, the Rights Entitlement Letter and Application Form shall be sent to the e-mail address of non-resident Eligible Equity Shareholders who have provided an Indian address to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions. Investors can access the Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) from the websites of the Registrar, our Company and the Stock Exchange. The Board of Directors may at its absolute discretion, agree to such terms and conditions as may be stipulated by the RBI while approving the Allotment. The Rights Equity Shares purchased by non-residents shall be subject to the same conditions including restrictions in regard to the repatriation as are applicable to the original Equity Shares against which Rights Equity Shares are issued on rights basis.

In case of change of status of holders, i.e., from resident to non-resident, a new demat account must be opened. Any Application from a demat account which does not reflect the accurate status of the Applicant is liable to be rejected at the sole discretion of our Company.

Any non-resident shareholder who has applied in the Issue without submitting RBI approval and/or without providing Indian address, his/her application will be liable for rejection.

## PROCEDURE FOR APPLICATION

### How to Apply

In accordance with Regulation 76 of the SEBI (ICDR) Regulations, SEBI Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use either the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA.

Our Company, its directors, its employees, affiliates, associates and their respective directors and officers and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

### Application Form

The Application Form for the Rights Equity Shares offered as part of this Issue would be sent to the Eligible Equity Shareholders only to

E-mail addresses of resident Eligible Equity Shareholders who have provided their e-mail addresses;

Indian addresses of the resident Eligible Equity Shareholders, on a reasonable effort basis, whose e-mail addresses are not available with our Company or the Eligible Equity Shareholders have not provided the valid email address to our Company;

Indian addresses of the non-resident Eligible Equity Shareholders, on a reasonable effort basis, who have provided an Indian address to our Company;

In case of non-resident Eligible Equity Shareholders, the Application Form along with the Abridged Letter of Offer and the Rights Entitlement Letter shall be sent through e-mail address if they have provided an Indian address to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions.

**Please note that neither our Company nor the Registrar shall be responsible for delay in the receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form attributable to non-availability of the e-mail addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in the transit or there is a delay in physical delivery (where applicable).**

To update the respective e-mail addresses/ mobile numbers in the records maintained by the Registrar or our Company, Eligible Equity Shareholders should visit [www.bigshareonline.com](http://www.bigshareonline.com). Investors can access the Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) from the websites of:

Our Company at [www.srivarisices.com](http://www.srivarisices.com);

The Registrar at [www.bigshareonline.com](http://www.bigshareonline.com);

The Stock Exchange at [www.nseindia.com](http://www.nseindia.com);

The Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar at [www.srivarisices.com](http://www.srivarisices.com) by entering their DP-ID and Client-ID and PAN.

The Application Form can be used by the Eligible Equity Shareholders as well as the Renounees, to make Applications in this Issue on the basis of the Rights Entitlements credited in their respective demat accounts or demat suspense escrow account, as applicable. Please note that one single Application Form shall be used by the Investors to make Applications for all Rights Entitlements available in a particular demat account or entire respective portion of the Rights Entitlements in the demat suspense escrow account in case of resident Eligible Equity Shareholders applying in this Issue, as applicable.

In case of Investors who have provided details of demat account in accordance with the SEBI (ICDR) Regulations, such Investors will have to apply for the Rights Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Application Form for each demat account.

Investors may accept this Issue and apply for the Rights Equity Shares by:

Submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts, or Investors are also advised to ensure that the Application Form is correctly filled up stating therein:

The ASBA Account (in case of Application through ASBA process) in which an amount equivalent to the amount payable on Application as stated in the Application Form will be blocked by the SCSB; or

**Please note that Applications without depository account details shall be treated as incomplete and shall be rejected.**

**Applicants should note that they should very carefully fill-in their depository account details and PAN number in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB). Incorrect depository account details or PAN number could lead to rejection of the Application. For details see “*Grounds for Technical Rejection*” on page 130 of this Letter of Offer. Our Company, the Registrar and the SCSB shall not be liable for any incorrect demat details provided by the Applicants.**

Additionally, in terms of Regulation 78 of the SEBI (ICDR) Regulations, Investors may choose to accept the offer to participate in this Issue by making an application that is available on the website of the Registrar and Stock Exchange or on a plain paper with the same details as per the Application Form available online. Please note that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, see “*Application on Plain Paper under ASBA process*” on page 123 of this Letter of Offer.

#### **Options available to the Eligible Equity Shareholders**

The Rights Entitlement Letter will clearly indicate the number of Rights Equity Shares that the Eligible Equity Shareholder is entitled to.

If the Eligible Equity Shareholder applies in this Issue, then such Eligible Equity Shareholder can:

Apply for its Rights Equity Shares to the full extent of its Rights Entitlements; or

Apply for its Rights Equity Shares to the extent of part of its Rights Entitlements (without renouncing the other part); or

Apply for Rights Equity Shares to the extent of part of its Rights Entitlements and renounce the other part of its Rights Entitlements; or

Apply for its Rights Equity Shares to the full extent of its Rights Entitlements and apply for additional Rights Equity Shares; or

Renounce its Rights Entitlements in full.

#### **PROCEDURE FOR APPLICATION THROUGH THE ASBA PROCESS**

Investors desiring to make an Application in this Issue through ASBA process, may submit the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Investors should ensure that they have correctly submitted 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 Application Money mentioned in the Application Form, as the case may be, at the time of submission of the Application.

### **Self-Certified Syndicate Banks**

For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process, please refer to <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>. For details on Designated Branches of SCSBs collecting the Application Form, please refer the above-mentioned link.

Please note that subject to SCSBs complying with the requirements of SEBI Circular bearing reference number 'CIR/CFD/DIL/13/2012' dated September 25, 2012 within the periods stipulated therein, ASBA Applications may be submitted at the Designated Branches of the SCSBs, in case of Applications made through ASBA facility.

## **ACCEPTANCE OF THIS ISSUE**

Investors may accept this Issue and apply for the Rights Equity Shares:

Submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts, or

Please note that on the Issue Closing Date:

Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the NSE, and

### **Applications submitted to anyone other than the Designated Branches of the SCSB**

Investors can also make Application on plain paper under ASBA process mentioning all necessary details as mentioned under the section "*Application on Plain Paper under ASBA process*" on page 125 of this Letter of Offer.

## **ADDITIONAL RIGHTS EQUITY SHARES**

Investors are eligible to apply for additional Rights Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Rights Equity Shares under applicable law and they have applied for all the Rights Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. The Rights Entitlements comprise of 1 Rights Equity. Where the number of additional Rights Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalized in consultation with the Designated Stock Exchange. Applications for additional Rights Equity Shares shall be considered and Allotment shall be made in accordance with the SEBI (ICDR) Regulations and in the manner prescribed under the section "*Basis of Allotment*" on page 134 of this Letter of Offer.

***Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for additional Rights Equity Shares.***

***Non-resident Renouncees who are not Eligible Equity Shareholders cannot apply for additional Rights Equity Shares.***

*Pursuant to the SEBI Rights Issue Circulars, resident Eligible Equity Shareholders who hold Equity Shares in physical form as on the Record Date cannot renounce until the details of their demat account are provided to our Company or the Registrar and the dematerialized Rights Entitlements are transferred from suspense escrow demat account to the respective demat accounts of such Eligible Equity Shareholders within prescribed timelines. However, such Eligible Equity Shareholders, where the dematerialized Rights Entitlements are transferred from the suspense escrow demat account to the respective demat accounts within prescribed timelines, can apply for additional Rights Equity Shares while submitting the Application through ASBA process.*

## **PROCEDURE FOR RENUNCIATION OF RIGHTS ENTITLEMENTS**

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part (a) by using the secondary market platform of the Stock Exchange; or (b) through an off -market transfer, during the Renunciation Period. Such renunciation shall result in renouncement of the Rights Equity Shares. The Investors should have the demat Rights Entitlements credited/lying in his/her own demat account prior to the renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of trading in the Rights Entitlements. Investors who intend to trade in the Rights Entitlements should consult their tax advisor or stock broker regarding any cost, applicable taxes, charges and expenses (including brokerage) that may be levied for trading in Rights Entitlements.

**OUR COMPANY ACCEPT NO RESPONSIBILITY TO BEAR OR PAY ANY COST, APPLICABLE TAXES, CHARGES, AND EXPENSES (INCLUDING BROKERAGE), AND SUCH COSTS WILL BE INCURRED SOLELY BY THE INVESTORS.**

**PLEASE NOTE THAT THE RIGHTS ENTITLEMENTS WHICH ARE NEITHER RENOUNCED NOR SUBSCRIBED BY THE INVESTORS ON OR BEFORE THE ISSUE CLOSING DATE SHALL LAPSE AND SHALL BE EXTINGUISHED AFTER THE ISSUE CLOSING DATE.**

### **On Market Renunciation**

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts by trading/selling them on the secondary market platform of the Stock Exchange through a registered stock broker in the same manner as the existing Equity Shares of our Company.

In this regard, in terms of provisions of the SEBI (ICDR) Regulations and the SEBI Rights Issue Circulars, the Rights Entitlements credited to the respective demat accounts of the Eligible Equity Shareholders shall be admitted for trading on the Stock Exchange under the ISIN that shall be allotted for the Rights Entitlement subject to requisite approvals. The details for trading in Rights Entitlements will be as specified by the Stock Exchange from time to time.

The Rights Entitlements are tradable in dematerialized form only. The market lot for trading of Rights Entitlements is 100 Shares. To clarify further, fractional entitlements are not eligible for trading.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, i.e., from September 24, 2024 to September 27, 2024 (both days inclusive).

The Investors holding the Rights Entitlements who desire to sell their Rights Entitlements will have to do so through their registered stock brokers by quoting the ISIN INE0ON220012 (for Rights Entitlement) that shall be allotted for the Rights Entitlement and indicating the details of the Rights Entitlements they intend to sell. The Investors can place order for sale of Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The On Market Renunciation shall take place electronically on secondary market platform of BSE under automatic order matching mechanism and on 'T+2 rolling settlement bases, where 'T' refers to the date of trading. The transactions will be settled on trade-for-trade basis. Upon execution of the order, the stock broker will issue a contract note in accordance with the requirements of the Stock Exchange and the SEBI.

## **Off Market Renunciation**

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts by way of an off-market transfer through a depository participant. The Rights Entitlements can be transferred in dematerialized form only.

Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounees on or prior to the Issue Closing Date.

The Investors holding the Rights Entitlements who desire to transfer their Rights Entitlements will have to do so through their depository participant by issuing a delivery instruction slip quoting the ISIN (for Rights Entitlement) that shall be allotted for the Rights Entitlement, the details of the buyer and the details of the Rights Entitlements they intend to transfer. The buyer of the Rights Entitlements (unless already having given a standing receipt instruction) has to issue a receipt instruction slip to their depository participant. The Investors can transfer Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The instructions for transfer of Rights Entitlements can be issued during the working hours of the depository participants. The detailed rules for transfer of Rights Entitlements through off-market transfer shall be as specified by the NSDL and CDSL from time to time.

## **APPLICATION ON PLAIN PAPER UNDER ASBA PROCESS**

An Eligible Equity Shareholder who is eligible to apply under the ASBA process may make an application to subscribe to this Issue on plain paper. An Eligible Equity Shareholder shall submit the plain paper Application to the Designated Branch of the SCSB for authorizing such SCSB to block Application Money in the said bank account maintained with the same SCSB.

### **Applications on plain paper will not be accepted from any address outside India.**

Please note that the Eligible Equity Shareholders who are making the Application on plain paper shall not be entitled to renounce their Rights Entitlements and should not utilize the Application Form for any purpose including renunciation even if it is received subsequently.

The application on plain paper, duly signed by the Eligible Equity Shareholder including joint holders, in the same order and as per specimen recorded with his bank, must reach the office of the Designated Branch of the SCSB before the Issue Closing Date and should contain the following particulars:

Name of our Company, being '*Srivari Spices and Foods Limited*'.

Name and address of the Eligible Equity Shareholder including joint holders (in the same order and as per specimen recorded with our Company or the Depository);

Registered Folio No./DP and Client ID No.;

Number of Equity Shares held as on Record Date;

Allotment option – only dematerialized form;

Number of Rights Equity Shares entitled to;

Total number of Rights Equity Shares applied for;

Number of additional Rights Equity Shares applied for, if any;

Total amount paid at the rate of ₹ 175/- for Rights Equity Shares issued in one Rights Entitlement;

Details of the ASBA Account such as the account number, name, address and branch of the relevant SCSB;

In case of non-resident Eligible Equity Shareholders making an application with an Indian address, details of the NRE/FCNR/NRO Account such as the account number, name, address, branch of the SCSB with which the account is maintained and a copy of the RBI approval obtained pursuant to Rule 7 of the FEMA Rules.

Except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Rights Equity Shares applied for pursuant to this Issue;

Authorization to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;

Signature of the Eligible Equity Shareholder (in case of joint holders, to appear in the same sequence and order as they appear in the records of the SCSB); and

In addition, all such Eligible Equity Shareholders are deemed to have accepted the following:

“I/ We understand that neither the Rights Entitlement nor the Equity Shares have been, or will be, registered under the United States Securities Act of 1933, as amended (the “US Securities Act”) or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof (the “United States”) except in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act. I/ we understand the offering to which this application relates is not, and under no circumstances is to be construed as, an offering of any Equity Shares or Rights Entitlement for sale in the United States, or as a solicitation therein of an offer to buy any of the said Equity Shares or Rights Entitlement in the United States. Accordingly, I/ we understand that this application should not be forwarded to or transmitted in or to the United States at any time. I/ we understand that none of the Company, the Registrar or any other person acting on behalf of the Company will accept subscriptions from any person, or the agent of any person, who appears to be, or who we, the Registrar or any other person acting on behalf of the Company has reason to believe is in the United States, or if such person is outside India and the United States, such person is not a corporate shareholder, or is ineligible to participate in the Issue under the securities laws of their jurisdiction. I/ We will not offer, sell or otherwise transfer any of the Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation except under circumstances that will result in compliance with any applicable laws or regulations. We satisfy, and each account for which we are acting satisfies, all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of our residence.

I/ We understand and agree that the Rights Entitlement and Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S under the US Securities Act (hereinafter referred to as ‘**Regulation S**’), or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act. I/We (i) am/are, and the person, if any, for whose account I/we am/are acquiring such Rights Entitlement, and/or the Equity Shares, is/are outside the United States, and (ii) is/are acquiring the Rights Entitlement and/or the Equity Shares in an offshore transaction meeting the requirements of Regulation S.

I/ We acknowledge that the Company, their affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements.” In cases where multiple Application Forms are submitted for Applications pertaining to Rights Entitlements credited to the same demat account or in demat suspense escrow account, including cases where an Investor submits Application Forms along with a plain paper Application, such Applications shall be liable to be rejected. Investors are requested to strictly adhere to these instructions. Failure to do so could result in an application being rejected, with our Company and the Registrar not having any liability to the Investor. The plain paper Application format will be available on the website of the Registrar at [www.bigshareonline.com](http://www.bigshareonline.com).

Our Company and the Registrar shall not be responsible if the Applications are not uploaded by SCSB or funds are not blocked in the Investors’ ASBA Accounts on or before the Issue Closing Date.

**APPLICATION BY ELIGIBLE EQUITY SHAREHOLDERS HOLDING EQUITY SHARES IN PHYSICAL FORM**

Please note that in accordance with Regulation 77A of the SEBI (ICDR) Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Rights Equity Shares in this Issue are advised to furnish the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date.

Prior to the Issue Opening Date, the Rights Entitlements of those resident Eligible Equity Shareholders, among others, who hold Equity Shares in physical form, and whose demat account details are not available with our Company or the Registrar, shall be credited in a demat suspense escrow account opened by our Company.

To update respective email addresses/ mobile numbers in the records maintained by the Registrar or us Company, Eligible Equity Shareholders should visit [www.bigshareonline.com](http://www.bigshareonline.com).

### **PROCEDURE FOR APPLICATION BY ELIGIBLE EQUITY SHAREHOLDERS HOLDING EQUITY SHARES IN PHYSICAL FORM**

Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have opened their demat accounts after the Record Date, shall adhere to following procedure for participating in this Issue:

The Eligible Equity Shareholders shall send a letter to the Registrar containing the name(s), address, email address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either by email, post, speed post, courier, or hand delivery so as to reach to the Registrar no later than two Working Days prior to the Issue Closing Date;

The Registrar shall, after verifying the details of such demat account, transfer the Rights Entitlements of such Eligible Equity Shareholders to their demat accounts at least one day before the Issue Closing Date;

The Eligible Equity Shareholders can access the Application Form from:

The website of the Registrar at [www.bigshareonline.com](http://www.bigshareonline.com);

Our Company at [www.srivarispices.com](http://www.srivarispices.com) and

The Stock Exchange at [www.nseindia.com](http://www.nseindia.com).

Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar (i.e., [www.bigshareonline.com](http://www.bigshareonline.com)) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and PAN.

The Eligible Equity Shareholders shall, on or before the Issue Closing Date, (i) submit the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

**PLEASE NOTE THAT NON-RESIDENT ELIGIBLE EQUITY SHAREHOLDERS, WHO HOLD EQUITY SHARES IN PHYSICAL FORM AS ON RECORD DATE AND WHO HAVE NOT FURNISHED THE DETAILS OF THEIR RESPECTIVE DEMAT ACCOUNTS TO THE REGISTRAR OR OUR COMPANY AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE, SHALL NOT BE ELIGIBLE TO MAKE AN APPLICATION FOR RIGHTS EQUITY SHARES AGAINST THEIR RIGHTS ENTITLEMENTS WITH RESPECT TO THE EQUITY SHARES HELD IN PHYSICAL FORM.**

### **ALLOTMENT OF THE RIGHTS EQUITY SHARES IN DEMATERIALIZED FORM**

**PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR IN THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH OUR EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE.**

**FOR DETAILS, SEE “ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS” ON PAGE 135 OF THIS LETTER OF OFFER.**

### **GENERAL INSTRUCTIONS FOR INVESTORS**

Please read this Letter of Offer carefully to understand the Application process and applicable settlement process;

Please read the instructions on the Application Form sent to you;

The Application Form can be used by both the Eligible Equity Shareholders and the Renouncees;

Application should be made only through the ASBA facility;

Application should be complete in all respects. The Application Form found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form are liable to be rejected. The Application Form must be filled in English;

In case of non-receipt of Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under the section “Application on Plain Paper under ASBA process” on page 125 of this Letter of Offer;

In accordance with Regulation 76 of the SEBI (ICDR) Regulations, SEBI Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use either the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA;

An Investor, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with an SCSB, prior to making the Application.

Applications should be (i) submitted to the Designated Branch of the SCSB or made online/electronic through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts, (i) Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchange, and

Applications should not be submitted to the Bankers to the Issue or Escrow Collection Bank (assuming that such Escrow Collection Bank is not an SCSB), our Company or the Registrar;

In case of Application through ASBA facility, Investors are required to provide necessary details, including details of the ASBA Account, authorization to the SCSB to block an amount equal to the Application Money in the ASBA Account mentioned in the Application Form;

All Applicants, and in the case of Application in joint names, each of the joint Applicants, should mention their PAN allotted under the Income-tax Act, irrespective of the amount of the Application. Except for Applications on behalf of the Central or the State Government, the residents of Sikkim and the officials appointed by the courts, **Applications without PAN will be considered incomplete and are liable to be rejected.** With effect from August 16, 2010, the demat accounts for Investors for which PAN details have not been verified shall be “suspended for credit” and no Allotment and credit of Rights Equity Shares pursuant to this Issue shall be made into the accounts of such Investors;

In case of Application through ASBA facility, all payments will be made only by blocking the amount in the ASBA Account. Cash payment or payment by cheque or demand draft or pay order or NEFT or RTGS or through any other mode is not acceptable for application through ASBA process. In case payment is made in contravention of this, the Application will be deemed invalid and the Application Money will be refunded and no interest will be paid thereon;

For physical Applications through ASBA at Designated Branches of SCSB, signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India.

Signatures other than in any such language or thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Investors must sign the Application as per the specimen signature recorded with the SCSB;

In case of joint holders and physical Applications through ASBA process, all joint holders must sign the relevant part of the Application Form in the same order and as per the specimen signature(s) recorded with the SCSB. In case of joint Applicants, reference, if any, will be made in the first Applicant's name and all communication will be addressed to the first Applicant;

All communication in connection with Application for the Rights Equity Shares, including any change in address of the Eligible Equity Shareholders should be addressed to the Registrar prior to the date of Allotment in this Issue quoting the name of the first/sole Applicant, folio numbers/DP ID and Client ID and Application Form number, as applicable; In case of any change in address of the Eligible Equity Shareholders, the Eligible Equity Shareholders should also send the intimation for such change to the respective depository participant, or to our Company or the Registrar;

Please note that subject to SCSBs complying with the requirements of SEBI Circular bearing reference number 'CIR/CFD/DIL/13/2012 dated September 25, 2012' within the periods stipulated therein, Applications made through ASBA facility may be submitted at the Designated Branches of the SCSBs. Application through ASBA facility in electronic mode will only be available with such SCSBs who provide such facility;

In terms of the SEBI circular CIR/CFD/DIL/1/2013 dated January 02, 2013, it is clarified that for making applications by banks on their own account using ASBA facility, SCSBs should have a separate account in own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making application in public/ rights issues and clear demarcated funds should be available in such account for ASBA applications;

Investors are required to ensure that the number of Rights Equity Shares applied for by them do not exceed the prescribed limits under the applicable law;

An Applicant being an OCB is required not to be under the adverse notice of the RBI and must submit approval from RBI for applying in this Issue;

***Do's:***

Ensure that the Application Form and necessary details are filled in. In place of Application number, Investors can mention the reference number of the e-mail received from Registrar informing about their Rights Entitlement or last eight digits of the demat account. Alternatively, SCSBs may mention their internal reference number in place of application number;

Except for Application submitted on behalf of the Central or the State Government, residents of Sikkim and the officials appointed by the courts, each Applicant should mention their PAN allotted under the Income-tax Act;

Ensure that the demographic details such as address, PAN, DP ID, Client ID, bank account details and occupation ("Demographic Details") are updated, true and correct, in all respects;

Investors should provide correct DP-ID and client-ID/ folio number while submitting the Application. Such DP-ID and Client-ID/ folio number should match the demat account details in the records available with Company and/or Registrar, failing which such Application is liable to be rejected. Investor will be solely responsible for any error or inaccurate detail provided in the Application. Our Company, SCSBs or the Registrar will not be liable for any such rejections.

***Don'ts:***

Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction;

Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground;

Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application;

Do not pay the Application Money in cash, by money order, pay order or postal order;

Do not submit multiple Applications.

***Do's for Investors applying through ASBA:***

Ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as the Rights Equity Shares will be Allotted in the dematerialized form only;

Ensure that the Applications are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the Application;

Ensure that there are sufficient funds (equal to {number of Rights Equity Shares (including additional Rights Equity Shares) applied for} X {Application Money of Rights Equity Shares}) available in ASBA Account mentioned in the Application Form before submitting the Application to the respective Designated Branch of the SCSB;

Ensure that you have authorized the SCSB for blocking funds equivalent to the total amount payable on application mentioned in the Application Form, in the ASBA Account, of which details are provided in the Application and have signed the same;

Ensure that you have a bank account with an SCSB providing ASBA facility in your location and the Application is made through that SCSB providing ASBA facility in such location;

Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the Application Form on a plain paper Application;

Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Application Form and the Rights Entitlement Letter;

***Don'ts for Investors applying through ASBA:***

Do not apply if you are not eligible to participate in this Issue under the securities laws applicable to your jurisdiction;

Do not submit the Application Form after you have submitted a plain paper Application to a Designated Branch of the SCSB or vice versa;

Do not send your physical Application to the Registrar, the Escrow Collection Bank (assuming that such Escrow Collection Bank is not an SCSB), a branch of the SCSB which is not a Designated Branch of the SCSB or our Company; instead submit the same to a Designated Branch of the SCSB only;

Do not instruct the SCSBs to unblock the funds blocked under the ASBA process;

**GROUND FOR TECHNICAL REJECTION**

Applications made in this Issue are liable to be rejected on the following grounds:

DP-ID and Client-ID mentioned in Application not matching with the DP-ID and Client ID records available with the Registrar;

Sending an Application to the Registrar, Escrow Collection Banks (assuming that such Escrow Collection Bank is not a SCSB), to a branch of a SCSB which is not a Designated Branch of the SCSB or our Company;

Insufficient funds are available in the ASBA Account with the SCSB for blocking the Application Money;

Funds in the ASBA Account whose details are mentioned in the Application Form having been frozen pursuant to regulatory orders;

Account holder not signing the Application or declaration mentioned therein;

Submission of more than one Application Forms for Rights Entitlements available in a particular demat account;

Multiple Application Forms, including cases where an Investor submits Application Forms along with a plain paper Application;

Submitting the GIR number instead of the PAN (except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts);

Applications by persons not competent to contract under the Indian Contract Act, 1872, except Applications by minors having valid demat accounts as per the demographic details provided by the Depositories;

Applications by SCSB on own account, other than through an ASBA Account in its own name with any other SCSB;

Application Forms which are not submitted by the Investors within the time periods prescribed in the Application Form and this Letter of Offer;

Physical Application Forms not duly signed by the sole or joint Investors;

Application Forms accompanied by stock invest, outstation cheques, post-dated cheques, and money order, postal order or outstation demand drafts;

If an Investor is (a) debarred by SEBI; or (b) if SEBI has revoked the order or has provided any interim relief then failure to attach a copy of such SEBI order allowing the Investor to subscribe to their Rights Entitlements;

Applications which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States (other than from persons in the United States who are U.S. QIBs) or other jurisdictions where the offer and sale of the Rights Equity Shares is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is (a) outside India and the United States and is a foreign corporate or institutional shareholder eligible to subscribe for the Rights Equity Share under the applicable securities laws or (b) a U.S. QIB in the United States, and in each case such person is complying with laws of jurisdictions applicable to such person in connection with this Issue; or (iii) where either a registered Indian address is not provided or where our Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to issue or allot any Rights Equity Shares in respect of any such Application Form;

Applications which have evidence of being executed or made in contravention of applicable securities laws;

Details of PAN mentioned in the Application does not match with the PAN records available with the Registrar;

Applications by a non-resident without the approval from RBI with respect to Rule 7 of the FEMA Rules;

#### **DEPOSITORY ACCOUNT AND BANK DETAILS FOR INVESTORS HOLDING SHARES IN DEMAT ACCOUNTS AND APPLYING IN THIS ISSUE.**

**IT IS MANDATORY FOR ALL THE INVESTORS APPLYING UNDER THIS ISSUE TO APPLY THROUGH THE ASBA PROCESS, TO RECEIVE THEIR RIGHTS EQUITY SHARES DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY THE INVESTOR AS ON THE RECORD DATE. ALL INVESTORS APPLYING UNDER THIS ISSUE SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DP-ID AND BENEFICIARY ACCOUNT NUMBER/ FOLIO NUMBER IN THE APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE APPLICATION FORM IS SUBMITTED IN**

**JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE APPLICATION FORM OR PLAIN PAPER APPLICATIONS, AS THE CASE MAY BE.**

Investors applying under this Issue should note that on the basis of name of the Investors, Depository Participant's name and identification number and beneficiary account number provided by them in the Application Form or the plain paper Applications, as the case may be, the Registrar will obtain Demographic Details from the Depository. Hence, Investors applying under this Issue should carefully fill in their Depository Account details in the Application.

These Demographic Details would be used for all correspondence with such Investors including mailing of the letters intimating unblocking of bank account of the respective Investor and/or refund. The Demographic Details given by the Investors in the Application Form would not be used for any other purposes by the Registrar. Hence, Investors are advised to update their Demographic Details as provided to their Depository Participants.

By signing the Application Forms, the Investors would be deemed to have authorized the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

**The Allotment advice and the email intimating unblocking of ASBA Account or refund (if any) would be emailed to the address of the Investor as per the email address provided to our Company or the Registrar or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Rights Equity Shares are not allotted to such Investor. Please note that any such delay shall be at the sole risk of the Investors and none of our Company, the SCSBs, and Registrar shall be liable to compensate the Investor for any losses caused due to any such delay or be liable to pay any interest for such delay.**

In case no corresponding record is available with the Depositories that match three parameters, (a) names of the Investors (including the order of names of joint holders), (b) the DP ID, and (c) the beneficiary account number, then such Application Forms are liable to be rejected.

## **MODES OF PAYMENT**

All payments against the Application Forms shall be made only through ASBA facility or internet banking. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility or internet banking.

### **Mode of payment for Resident Investors**

All payments on the Application Forms shall be made only through ASBA facility or internet banking or Applicants are requested to strictly adhere to these instructions.

### **Mode of payment for non-resident Investors**

As regards the Application by non-resident Investors, the following conditions shall apply:

Individual non-resident Indian Applicants who are permitted to subscribe to Rights Equity Shares by applicable local securities laws can obtain Application Forms on the websites of the Registrar, our Company;

*Note:*

*In case of non-resident Eligible Equity Shareholders, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form shall be sent to (i) the Indian addresses of the non-resident Eligible Equity Shareholders, on a reasonable effort basis, who have provided an Indian address to our Company; and (ii) the e-mail addresses of the foreign corporate or institutional shareholders.*

*The Letter of Offer will be provided by the Registrar on behalf of our Company to the Eligible Equity Shareholders at (i) the Indian addresses of the non-resident Eligible Equity Shareholders, on a reasonable effort basis, who have provided an Indian address to our Company; and (ii) the e-mail addresses of the foreign corporate or institutional shareholders, in each case who make a request in this regard.*

Application Forms will not be accepted from non-resident Investors in any jurisdiction where the offer or sale of the Rights Entitlements and Rights Equity Shares may be restricted by applicable securities laws;

Payment by non-residents must be made only through ASBA facility and using permissible accounts in accordance with FEMA, FEMA Rules and requirements prescribed by the RBI;

#### Notes

In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Rights Equity Shares can be remitted outside India, subject to tax, as applicable according to the Income-tax Act;

In case Rights Equity Shares are Allotted on a non-repatriation basis, the dividend and sale proceeds of the Rights Equity Shares cannot be remitted outside India;

In case of an Application Form received from non-residents, Allotment, refunds and other distribution, if any, will be made in accordance with the guidelines and rules prescribed by the RBI as applicable at the time of making such Allotment, remittance and subject to necessary approvals;

Application Forms received from non-residents/ NRIs, or persons of Indian origin residing abroad for Allotment of Rights Equity Shares shall, amongst other things, be subject to conditions, as may be imposed from time to time by RBI under FEMA, in respect of matters including Refund of Application Money and Allotment;

In the case of NRIs who remit their Application Money from funds held in FCNR/NRE Accounts, refunds and other disbursements, if any shall be credited to such account;

Non-resident Renounees who are not Eligible Equity Shareholders must submit regulatory approval for applying for additional Rights Equity Shares;

#### **MULTIPLE APPLICATIONS**

In case where multiple Applications are made in respect the Rights Entitlements using same demat account, such Applications shall be liable to be rejected. However supplementary applications in relation to further Rights Equity Shares with/without using additional Rights Entitlements will not be treated as multiple application. A separate Application can be made in respect of each scheme of a mutual fund registered with SEBI and such Applications shall not be treated as multiple applications. For details, see “*Procedure for Applications by Mutual Funds*” below. Cases where Investor submits Application Forms along with plain paper or multiple plain paper Applications for same Rights Entitlements shall be treated as multiple applications.

In cases where multiple Application Forms are submitted, such Applications shall be treated as multiple applications and are liable to be rejected.

#### **LAST DATE FOR APPLICATION**

The last date for submission of the duly filled in the Application Form or a plain paper Application is October 03, 2024 i.e., Issue Closing Date. The Board of Directors may extend the said date for such period as it may determine from time to time, **subject to the Issue Period not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).**

If the Application Form is not submitted with an SCSB, uploaded with the Stock Exchange and the Application Money is not blocked with the SCSB on or before the Issue Closing Date or such date as may be extended by the Board of Directors, the invitation to offer contained in this Letter of Offer shall be deemed to have been declined and the Board of Directors shall be at liberty to dispose of the Rights Equity Shares hereby offered, as provided under the section, “*Basis of Allotment*” on page 134 of this Letter of Offer.

Please note that on the Issue Closing Date, (i) Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the BSE,

Please ensure that the Application Form and necessary details are filled in. In place of Application number, Investors can mention the reference number of the e-mail received from Registrar informing about their Rights

Entitlement or last eight digits of the demat account. Alternatively, SCSBs may mention their internal reference number in place of application number.

## WITHDRAWAL OF APPLICATION

An Investor who has applied in this Issue may withdraw their application at any time during Issue Period by approaching the SCSB where application is submitted. However, no Investor, whether applying through ASBA facility may withdraw their application post the Issue Closing Date.

## ISSUE SCHEDULE

<b>Last date for Credit of Rights Entitlements</b>	Monday, September 23, 2024
<b>Issue Opening Date</b>	Tuesday, September 24, 2024
<b>Last Date for On Market Renunciation*</b>	Friday, September 27, 2024
<b>Issue Closing Date</b>	Thursday, October 03, 2024
<b>Finalisation of Basis of Allotment (on or about)</b>	Tuesday, October 08, 2024
<b>Date of Allotment (on or about)</b>	Friday, October 11, 2024
<b>Date of Credit (on or about)</b>	Thursday, October 17, 2024
<b>Date of Listing (on or about)</b>	Tuesday, October 15, 2024

\* Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.

Our Board of Directors may however decide to extend the Issue Period as it may determine from time to time but not exceeding 30 (Thirty) days from the Issue Opening Date (inclusive of the Issue Opening Date).

Our Board of Directors may however decide to extend the Issue Period as it may determine from time to time but not exceeding 30 (Thirty) days from the Issue Opening Date (inclusive of the Issue Opening Date).

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, i.e., October 01, 2024 to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date.

## BASIS OF ALLOTMENT

Subject to the provisions contained in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, the Articles of Association and the approval of the Designated Stock Exchange, our Board will proceed to allot the Rights Equity Shares in the following order of priority:

Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlements of Rights Equity Shares either in full or in part and also to the Renouncee(s) who has or have applied for Rights Equity Shares renounced in their favour, in full or in part.

Eligible Equity Shareholders whose fractional entitlements are being ignored and Eligible Equity Shareholders with zero entitlement, would be given preference in allotment of one additional Rights Equity Share each if they apply for additional Rights Equity Shares. Allotment under this head shall be considered if there are any unsubscribed Rights Equity Shares after allotment under (a) above. If number of Rights Equity Shares required for Allotment under this head are more than the number of Rights Equity Shares available after Allotment under (a) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange and will not be a preferential allotment.

Allotment to the Eligible Equity Shareholders who having applied for all the Rights Equity Shares offered to them as part of this Issue, have also applied for additional Rights Equity Shares. The Allotment of such additional Rights Equity Shares will be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, provided there are any unsubscribed Rights Equity Shares after making full Allotment in (1) and (2) above. The Allotment of such Rights Equity Shares will be at

the sole discretion of our Board in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.

Allotment to Renounees who having applied for all the Rights Equity Shares renounced in their favour, have applied for additional Rights Equity Shares provided there is surplus available after making full Allotment under (1), (2) and (3) above. The Allotment of such Rights Equity Shares will be made on a proportionate basis in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.

Allotment to any other person, that our Board may deem fit, provided there is surplus available after making Allotment under (1), (2), (3) and (4) above, and the decision of our Board in this regard shall be final and binding. After taking into account Allotment to be made under (1) to (4) above, if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed'.

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall send to the Controlling Branches, a list of the Investors who have been allocated Rights Equity Shares in this Issue, along with:

The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for this Issue, for each successful Application;

The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and

The details of rejected ASBA applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

#### **ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS**

Our Company will e-mail Allotment advice, refund intimations or demat credit of Rights Equity Shares and/or letters of regret, along with crediting the Allotted Rights Equity Shares to the respective beneficiary accounts (only in dematerialized mode) or in a demat suspense account or issue instructions for unblocking the funds in the respective ASBA Accounts, if any, within a period of 15 (Fifteen) days from the Issue Closing Date. In case of failure to do so, our Company and the Directors who are "officers in default" shall pay interest at 15% (Fifteen Percent) p.a. and such other rate as specified under applicable law from the expiry of such 15 (Fifteen) days' period.

The Rights Entitlements will be credited in the dematerialized form using electronic credit under the depository system and the Allotment advice shall be sent, through email, to the email address provided to our Company or at the address recorded with the Depository.

In the case of non-resident Investors who remit their Application Money from funds held in the NRE or the FCNR Accounts, refunds and/or payment of interest or dividend and other disbursements, if any, shall be credited to such accounts.

Where an Applicant has applied for additional Equity Shares in the Issue and is Allotted a lesser number of Equity Shares than applied for, the excess Application Money paid/blocked shall be refunded/unblocked. The unblocking of ASBA funds / refund of monies shall be completed be within such period as prescribed under the SEBI (ICDR) Regulations. In the event that there is a delay in making refunds beyond such period as prescribed under applicable law, our Company shall pay the requisite interest at such rate as prescribed under applicable law.

#### **PAYMENT OF REFUND**

##### ***Mode of making refunds***

The payment of refund, if any, including in the event of oversubscription or failure to list or otherwise would be done through any of the following modes.

Unblocking amounts blocked using ASBA facility.

National Automated Clearing House (hereinafter referred to as ‘NACH’) – National Automated Clearing House is a consolidated system of electronic clearing service. Payment of refund would be done through NACH for Applicants having an account at one of the centers specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including MICR code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centers where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where Applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS.

National Electronic Fund Transfer (hereinafter referred to as ‘NEFT’) – Payment of refund shall be undertaken through NEFT wherever the Investors’ bank has been assigned the Indian Financial System Code (hereinafter referred to as ‘IFSC Code’), which can be linked to a MICR, allotted to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Investors have registered their nine-digit MICR number and their bank account number with the Registrar to our Company or with the Depository Participant while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Investors through this method.

Direct Credit – Investors having bank accounts with the Bankers to the Issue shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for the same would be borne by our Company.

RTGS – If the refund amount exceeds ₹2,00,000, the Investors have the option to receive refund through RTGS. Such eligible Investors who indicate their preference to receive refund through RTGS are required to provide the IFSC Code in the Application Form. In the event the same is not provided, refund shall be made through NACH or any other eligible mode. Charges, if any, levied by the refund bank(s) for the same would be borne by our Company. Charges, if any, levied by the Investor’s bank receiving the credit would be borne by the Investor.

For all other Investors, the refund orders will be dispatched through speed post or registered post subject to applicable laws. Such refunds will be made by cheques, pay orders or demand drafts drawn in favor of the sole/first Investor and payable at par.

Credit of refunds to Investors in any other electronic manner, permissible by SEBI from time to time.

#### ***Refund payment to non-residents***

The Application Money will be unblocked in the ASBA Account of the non-resident Applicants, details of which were provided in the Application Form.

### **ALLOTMENT ADVICE OR DEMAT CREDIT OF SHARES**

The demat credit of Shares to the respective beneficiary accounts or the demat suspense account (pending receipt of demat account details for Eligible Equity Shareholders holding Equity Shares in physical form/ with IEPF authority/ in suspense, etc.) will be credited within 15 days from the Issue Closing Date or such other timeline in accordance with applicable laws.

### **RECEIPT OF THE RIGHTS EQUITY SHARES IN DEMATERIALIZED FORM**

**PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR UNDER THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO**

**THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE, OR**

**THE DEPOSITORY ACCOUNT, DETAILS OF WHICH HAVE BEEN PROVIDED TO OUR COMPANY OR THE REGISTRAR AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE BY THE ELIGIBLE EQUITY SHAREHOLDER HOLDING EQUITY SHARES IN PHYSICAL FORM AS ON THE RECORD DATE, OR**

**DEMAT SUSPENSE ACCOUNT PENDING RECEIPT OF DEMAT ACCOUNT DETAILS FOR RESIDENT ELIGIBLE EQUITY SHAREHOLDERS/ WHERE THE CREDIT OF THE RIGHTS ENTITLEMENTS RETURNED/REVERSED/FAILED.**

Investors shall be Allotted the Rights Equity Shares in dematerialized (electronic) form.

**INVESTORS MAY PLEASE NOTE THAT THE RIGHTS EQUITY SHARES CAN BE TRADED ON THE BSE ONLY IN DEMATERIALIZED FORM.**

The procedure for availing the facility for Allotment of Rights Equity Shares in this Issue in the dematerialized form is as under:

Open a beneficiary account with any depository participant (care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in the records of our Company). In case of Investors having various folios in our Company with different joint holders, the Investors will have to open separate accounts for such holdings. Those Investors who have already opened such beneficiary account(s) need not adhere to this step.

It should be ensured that the depository account is in the name(s) of the Investors and the names are in the same order as in the records of our Company or the Depositories.

The responsibility for correctness of information filled in the Application Form vis-a-vis such information with the Investor's depository participant, would rest with the Investor. Investors should ensure that the names of the Investors and the order in which they appear in Application Form should be the same as registered with the Investor's depository participant.

If incomplete or incorrect beneficiary account details are given in the Application Form, the Investor will not get any Rights Equity Shares and the Application Form will be rejected.

The Rights Equity Shares will be allotted to Applicants only in dematerialized form and would be directly credited to the beneficiary account as given in the Application Form after verification or demat suspense account (pending receipt of demat account details for resident Eligible Equity Shareholders with IEPF authority/ in suspense, etc.). Allotment advice, refund order (if any) would be sent directly to the Applicant by email and, if the printing is feasible, through physical dispatch, by the Registrar but the Applicant's depository participant will provide to him the confirmation of the credit of such Rights Equity Shares to the Applicant's depository account.

Non-transferable Allotment advice/ refund intimation will be directly sent to the Investors by the Registrar, by email and, if the printing is feasible, through physical dispatch.

Renouncees will also have to provide the necessary details about their beneficiary account for Allotment of Rights Equity Shares in this Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected.

**PROCEDURE FOR APPLICATION BY CERTAIN CATEGORIES OF INVESTORS**

**Procedure for Applications by FPIs**

In terms of applicable FEMA Rules and the SEBI FPI Regulations, investments by FPIs in the Equity Shares is subject to certain limits, i.e., the individual holding of an FPI (including its investor group (which means multiple entities registered as foreign portfolio investors and directly and indirectly having common ownership of more than 50% of common control)) shall be below 10% of our post -Offer Equity Share capital. In case the total holding of an FPI or investor group increases beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants that may be issued by our Company, the total investment made by the FPI or investor group will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will also be required to comply with applicable reporting requirements. Further, the aggregate limit of all FPIs investments, with effect from April 1, 2020, is up to the sectoral cap applicable to the sector in which our Company operates.

FPIs are permitted to participate in this Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time. The FPIs who wish to participate in the Offer are advised to use the Application Form for non-residents. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against Shares held by it that are listed or proposed to be listed on any recognized stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons registered as Category I FPI under the SEBI FPI Regulations; (ii) such offshore derivative instruments are issued only to persons who are eligible for registration as Category I FPIs (where an entity has an investment manager who is from the Financial Action Task Force member country, the investment manager shall not be required to be registered as a Category I FPI); (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iv) compliance with other conditions as may be prescribed by SEBI.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by or on its behalf, is carried out subject to inter alia the following conditions: (a) such offshore derivative instruments are transferred only to persons in accordance with the SEBI FPI Regulations; and (b) 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.

#### **Procedure for Applications by AIFs, FVCIs and VCFs**

The SEBI VCF Regulations and the SEBI FVCI Regulations prescribe, among other things, the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among other things, the investment restrictions on AIFs.

As per the SEBI VCF Regulations and SEBI FVCI Regulations, VCFs and FVCIs are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by VCFs or FVCIs will not be accepted in this Issue. Venture capital funds registered as Category I AIFs, as defined in the SEBI AIF Regulations, are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by venture capital funds registered as category I AIFs, as defined in the SEBI AIF Regulations, will not be accepted in this Issue. Other categories of AIFs are permitted to apply in this Issue subject to compliance with the SEBI AIF Regulations. Such AIFs having bank accounts with SCSBs that are providing ASBA in cities / centres where such AIFs are located are mandatorily required to make use of the ASBA facility. Otherwise, applications of such AIFs are liable for rejection.

#### **Procedure for Applications by NRIs**

Investments by NRIs are governed by the FEMA Rules. Applications will not be accepted from NRIs that are ineligible to participate in this Issue under applicable securities laws.

As per the FEMA Rules, an NRI or Overseas Citizen of India (“OCI”) may purchase or sell capital instruments of a listed Indian Company on repatriation basis, on a recognized stock exchange in India, subject to the conditions, inter alia, that the total holding by any individual NRI or OCI will 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 will 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. 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.

Further, in accordance with press note 3 of 2020, the FDI Policy has been recently amended to state that all investments by entities incorporated in a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country (“Restricted Investors”), will require prior approval of the Government of India. It is not clear from the press note whether or not an issuance of the Rights Equity Shares to Restricted Investors will also require a prior approval of the Government of India and each Investor should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval of the Government of India is required and such approval has been obtained, the Investor shall intimate our Company and the Registrar about such approval within the Issue Period.

### **Procedure for Applications by Mutual Funds**

A separate application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such applications shall not be treated as multiple applications. The applications made by asset management companies or custodians of a mutual fund should clearly indicate the name of the concerned scheme for which the application is being made.

### **Procedure for Applications by Systemically Important Non-Banking Financial Companies (“NBFC-SI”)**

In case of an application made by NBFC-SI registered with the RBI, (a) the certificate of registration issued by the RBI under Section 45IA of the RBI Act, 1934 and (b) net-worth certificate from its statutory auditors or any independent chartered accountant based on the last audited financial statements is required to be attached to the application.

### **IMPERSONATION**

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions 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 Shares; 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 Shares; or otherwise induces directly or indirectly a Company to allot, or register any transfer of, Shares to him, or to any other person in a fictitious name, shall be liable for action under Section 447.”*

The liability prescribed under Section 447 of the Companies Act for fraud involving an amount of at least ₹ 10 lakhs or 1% of the turnover of the company, whichever is lower, 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.

In case the fraud involves (i) an amount which is less than ₹10 lakhs or 1% of the turnover of the company, whichever is lower; and (ii) does not involve public interest, then such fraud is punishable with an imprisonment for a term extending up to five years or a fine of an amount extending up to ₹50 lakhs or with both.

### **PAYMENT BY STOCKINVEST**

In terms of RBI Circular DBOD No. FSC BC 42/24.47.00/2003- 04 dated November 5, 2003, the stock invest scheme has been withdrawn. Hence, payment through stock invest would not be accepted in this Rights Issue.

### **DISPOSAL OF APPLICATION AND APPLICATION MONEY**

No acknowledgment will be issued for the Application Money received by our Company. However, the Designated Branch of the SCSBs receiving the Application Form will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each Application Form to the Eligible Equity Shareholders upon submission of the Application.

Our Board of Directors of the Company reserves its full, unqualified and absolute right to accept or reject any Application, in whole or in part, and in either case without assigning any reason thereto.

In cases where refunds are applicable, such refunds shall be made within a period of 15 days. In case of failure to do so, our Company and the Directors who are “officers in default” shall pay interest at the prescribed rate. In case an application is rejected in full, the whole of the Application Money will be unblocked in the respective ASBA Accounts, in case of Applications through ASBA. Wherever an application is rejected in part, the balance of Application Money, if any, after adjusting any money due on Rights Equity Shares Allotted, will be refunded / unblocked in the respective bank accounts from which Application Money was received / ASBA Accounts of the Investor within a period of 15 days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law.

For further instructions, please read the Application Form carefully.

#### UNDERTAKINGS BY OUR COMPANY

Our Company undertakes the following:

The complaints received in respect of the issue shall be attended to by our Company expeditiously and satisfactorily;

All steps for completion of the necessary formalities for listing and commencement of trading at NSE, where the Rights Equity Shares are to be listed are taken within the time limit specified by the SEBI;

The funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar by our Company;

Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 15 (Fifteen) days 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;

Where release of block on the application amount for unsuccessful bidders or part of the application amount in case of proportionate allotment, a suitable communication shall be sent to the applicants;

Adequate arrangements shall be made to collect all ASBA applications;

Our Company shall comply with such disclosure and accounting norms specified by SEBI from time to time.

#### UTILIZATION OF ISSUE PROCEEDS

Our Board declares that:

All monies received out of issue of this Rights Equity Issue to the public shall be transferred to a separate bank account.

Details of all monies utilized out of this Right Issue referred to in clause (A) above shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies had been utilized; and

Details of all unutilized monies out of this Right Issue referred to in clause (A) above, 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.

#### IMPORTANT

Please read this Letter of Offer carefully before taking any action. The instructions contained in the Application Form, Abridged Letter of Offer and the Rights Entitlement Letter are an integral part of the conditions of this Letter of Offer and must be carefully followed; otherwise, the Application is liable to be rejected.

All enquiries in connection with this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or Application Form must be addressed (quoting the Registered Folio Number or the DP ID and Client ID number, the Application Form number and the name of the first Eligible Equity Shareholder as mentioned on the Application Form and superscribed '**SRIVARI SPICES AND FOODS LIMITED – RIGHT ISSUE**' on the envelope and postmarked in India or in the email) to the Registrar at the following address:

**Bigshare Services Private Limited**

Address: Office No. S6-2, VI Floor, Pinnacle Business Park,  
Mahakali Caves Road, Andheri (E), Mumbai-400093

**Telephone:** +91-022-62638200

**Fax:** +91-022-62638299

**Email:** [rightsissue@bigshareonline.com](mailto:rightsissue@bigshareonline.com);

**Investor Grievance :** [investor@bigshareonline.com](mailto:investor@bigshareonline.com);

**Website:** [www.bigshareonline.com](http://www.bigshareonline.com);

**Contact person:** Mr. Suraj Gupta

**SEBI Registration No:** INR000001385

In accordance with SEBI Rights Issue Circulars, frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors will be available on the website of the Registrar ([www.bigshareonline.com](http://www.bigshareonline.com)). Further, helpline numbers provided by the Registrar for guidance on the Application process and resolution of difficulties are +91-022-62638200.

This Issue will remain open for a minimum 15 (Fifteen) days. However, the Board of Directors will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 (Thirty) days from the Issue Opening Date (inclusive of the Issue Closing Date).

## **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 FEMA. While the Industrial Policy, 1991, of the Government of India, 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. The Union Cabinet, as provided in the Cabinet Press Release dated May 24, 2017, has given its approval for phasing out the FIPB. Under the Industrial Policy, 1991, unless specifically restricted, foreign investment is freely permitted in all sectors of the 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. Accordingly, the process for foreign direct investment (“FDI”) and approval from the Government of India will now be handled by the concerned ministries or departments, in consultation with the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (formerly known as the Department of Industrial Policy and Promotion) (“DPIIT”), Ministry of Finance, Department of Economic Affairs, FIPB section, through a memorandum dated June 5, 2017, has notified the specific ministries handling relevant sectors.

The Government has, from time to time, made policy pronouncements on FDI through press notes and press releases. The DPIIT issued the Consolidated FDI Policy Circular of 2020 (“FDI Policy”) by way of circular bearing number DPIIT file number 5(2)/2020-FDI Policy dated October 15, 2020, which with effect from October 15, 2020, consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020. The Government of India has from time to time made policy pronouncements on FDI through press notes and press releases which are notified by RBI as amendments to FEMA. In case of any conflict between FEMA and such policy pronouncements, FEMA prevails.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company fall under the automatic route as provided in the FDI Policy and FEMA and transfer does not attract the provisions of the SEBI Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI and RBI.

As per the existing policy of the Government of India, erstwhile OCBs cannot participate in this Issue.

*The above information is given for the benefit of the Applicants / Investors. Our Company is not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer. Investors 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.*

## SECTION VIII STATUTORY AND OTHER INFORMATION

Please note that the Rights Equity Shares applied for under this Issue can be allotted only in dematerialized form and to (a) the same depository account/ corresponding pan in which the Equity Shares are held by such Investor on the Record Date, or (b) the depository account, details of which have been provided to our Company or the Registrar at least two working days prior to the Issue Closing Date by the Eligible Equity Shareholder holding Equity Shares in physical form as on the Record Date.

### MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Letter of Offer) which are or may be deemed material have been entered or are to be entered into by our Company. Copies of the documents for inspection referred to hereunder, would be available on the website of the Company at [www.srivarispices.com](http://www.srivarispices.com) from the date of this Letter of Offer until the Issue Closing Date.

#### Material Contracts for the Issue

- (i) Registrar Agreement dated June 24 2024, entered into amongst our Company and the Registrar to the Issue.
- (ii) Escrow Agreement dated September 06, 2024 amongst our Company, the Registrar to the Issue and the Bankers to the Issue.

#### Material Documents

- (i) Certified copies of the updated Memorandum of Association and Articles of Association of our Company as amended from time to time.
- (ii) Resolution of the Board of Directors dated April 17, 2024 in relation to the Issue.
- (iii) Resolution of the meeting of Board of Directors dated August 29, 2024 finalizing the terms of the Issue.
- (iv) Resolution of the meeting of the Board of Directors dated August 29, 2024 for fixing the Record Date.
- (v) Consent of our Directors, Company Secretary and Compliance Officer, Chief Financial Officer, Statutory Auditor, the Registrar to the Issue for inclusion of their names in the Letter of Offer in their respective capacities.
- (vi) Statement of Tax Benefits dated July 12, 2024 from the Statutory Auditor included in this Letter of Offer.
- (vii) Tripartite Agreement dated February 13, 2023 between our Company, NSDL and the Registrar to the Issue.
- (viii) Tripartite Agreement dated January 25, 2023 between our Company, CSDL and the Registrar to the Issue.
- (ix) In principle listing approval dated August 22, 2024 issued by NSE.

Any of the contracts or documents mentioned in this Letter of Offer 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 declare that all relevant provisions of the Companies Act 1956 and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by the SEBI, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Letter of Offer is contrary to the provisions of the Companies Act 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contract (Regulation) Rules, 1957 and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. We further certify that all the statements and disclosures made in this Letter of Offer are true and correct.

### SIGNED BY THE DIRECTORS OF OUR COMPANY

Sd/-

\_\_\_\_\_  
**Rathi Narayan Das**  
(Chairman and Whole-time Director)

Sd/-

\_\_\_\_\_  
**Neihaa Rathi**  
(Whole-time Director)

Sd/-

\_\_\_\_\_  
**Uday Kiran Reddy Sama**  
(Independent Director)

Sd/-

\_\_\_\_\_  
**Rashida Younus Ahmedabadwala**  
(Independent Director)

Sd/-

\_\_\_\_\_  
**Venkata Srinivasan Kodakalla**  
(Additional Director)

### SIGNED BY THE CHIEF FINANCIAL OFFICER AND COMPANY SECRETARY AND COMPLIANCE OFFICER OF OUR COMPANY

Sd/-

\_\_\_\_\_  
**Naveena Chepur**  
Chief Financial Officer

Sd/-

\_\_\_\_\_  
**Sushma Barla**  
Company Secretary & Compliance Officer

**Place:** Hyderabad

**Date:** September 10, 2024